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If you have sold all your securities in Chia Hsin Cement Greater China Holding Corporation, you should at once hand this circular to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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嘉新水泥（中國）控股股份有限公司*

Chia Hsin Cement Greater China Holding Corporation

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 699)

**PROPOSED GRANTING OF GENERAL MANDATES
TO REPURCHASE SHARES AND TO ISSUE NEW SHARES**

AND

PROPOSED RE-ELECTION OF RETIRING DIRECTORS

A notice convening an annual general meeting of Chia Hsin Cement Greater China Holding Corporation to be held at JW Marriott Hong Kong, One Pacific Place, 88 Queensway, Hong Kong on Wednesday, 25 May 2005 at 10:00 a.m. is set out on pages 13 to 15 of this circular. Whether or not you are able to attend the annual general meeting, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's Share Registrar in Hong Kong, Tricor Investor Services Limited, G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the annual general meeting. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the meeting if they so wish.

* For identification purposes only

DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at JW Marriott Hong Kong, One Pacific Place, 88 Queensway, Hong Kong on Wednesday, 25 May 2005 at 10:00 a.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 13 to 15 of this circular, or any adjournment thereof
“Board”	the board of Directors
“Buyback Mandate”	as defined in paragraph II(a) of the Letter from the Board
“Company”	Chia Hsin Cement Greater China Holding Corporation, a company incorporated in the Cayman Islands with limited liability, the securities of which are listed on the Stock Exchange
“Current Articles of Association”	existing articles of association of the Company adopted on 26 November 2003 with the latest amendments approved by the Shareholders in the Company’s annual general meeting held on 20 May 2004
“Directors”	the directors of the Company
“Hong Kong”	The Hong Kong Special Administrative Region of the People Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Latest Practicable Date”	6 April 2005, being the latest practicable date for ascertaining certain information referred to in this circular prior to the printing of this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Registrar”	Tricor Investor Services Limited of G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, the Company’s Share Registrar in Hong Kong
“SFO”	The Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	share(s) of US\$0.01 each in the share capital of the Company
“Shareholders”	Holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Codes on Takeovers and Mergers issued by the Securities and Futures Commission in Hong Kong



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Executive Directors:

WANG Chien Kuo, Robert (*Chairman*)
LAN Jen Kuei, Konrad (*Vice Chairman*)
CHANG Kang Lung, Jason (*Managing Director*)
WANG Li Shin, Elizabeth

Non-Executive Directors:

CHANG Yung Ping, Johnny
CHANG An Ping, Nelson

Independent Non-Executive Directors:

MACKENZIE Davin A.
ZHUGE Pei Zhi
WU Chun Ming

Registered office:

P.O. Box 309GT
Ugland House
South Church Street
George Town
Grand Cayman
Cayman Islands

Place of business in China:

4100 Longwu Road
Shanghai, 201108

*Principal place of business
in Hong Kong:*

Unit No. 804, 8/F
9 Queen's Road Central
Central
Hong Kong

12 April 2005

To the Shareholders

Dear Sir or Madam,

**PROPOSED GRANTING OF GENERAL MANDATES
TO REPURCHASE SHARES AND TO ISSUE NEW SHARES**

AND

PROPOSED RE-ELECTION OF RETIRING DIRECTORS

I. INTRODUCTION

The purpose of this circular is to provide you with information relating to the resolutions to be proposed at the Annual General Meeting relating to (i) the general mandates to repurchase the Company's own fully-paid up Shares and to issue new Shares; and (ii) the re-election of the retiring Directors.

* For identification purposes only

LETTER FROM THE BOARD

II. PROPOSED GRANTING OF THE BUYBACK AND ISSUANCE MANDATES

On 20 May 2004, general mandates were given to the Directors to exercise the powers of the Company to repurchase Shares of the Company and to issue new Shares of the Company respectively. Such mandates will lapse at the conclusion of the Annual General Meeting.

Ordinary resolutions will be proposed at the Annual General Meeting to approve the grant of new general mandates to the Directors:

- (a) Ordinary resolution no. 4: to purchase Shares of the Company on the Stock Exchange of an aggregate nominal amount of up to 10% of the aggregate nominal amount of the issued share capital of the Company at the date of the Annual General Meeting (the “Buyback Mandate”);
- (b) Ordinary resolution no. 5: to allot, issue or deal in Shares of an aggregate nominal amount of up to 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of the Annual General Meeting (i.e. US\$2,285,800 comprising 228,580,000 Shares of US\$0.01 each on the basis that as at the Latest Practicable Date, the issued share capital of the Company was US\$11,429,000 comprising of 1,142,900,000 Shares of US\$0.01 each and no Shares are issued or repurchased by the Company prior to the date of Annual General Meeting) (the “Issuance Mandate”); and
- (c) Ordinary resolution no. 6: to extend the Issuance Mandate by an amount representing the aggregate nominal amount of the Shares repurchased by the Company pursuant to and in accordance with the Buyback Mandate.

The Buyback Mandate and the Issuance Mandate will continue in force until the conclusion of the next annual general meeting of the Company or any earlier date as referred to in ordinary resolutions nos. 4 and 5 set out in the notice of the Annual General Meeting.

Shareholders should refer to the Explanatory Statement contained in Appendix A of this circular which sets out further information in relation to the proposed Buyback Mandate as required by the Listing Rules.

III. PROPOSED RE-ELECTION OF RETIRING DIRECTORS

Pursuant to article 112 of the Current Articles of Association, at each annual general meeting of the Company, one-third of the Directors (other than the Managing Director or Joint Managing Director) for the time being, or, if their number is not three or a multiple of three, then the number nearest to, but not exceeding, one-third, shall retire from office by rotation. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree between themselves) be determined by lot. A retiring Director shall retain office until the close of the meeting at which he retires, and shall be eligible for re-election thereat.

LETTER FROM THE BOARD

According to the above provision, Mr LAN Jen Kuei, Konrad and Mr CHANG Yung Ping, Johnny shall retire from office by rotation at the Annual General Meeting and, being eligible, they will offer themselves for re-election at the Annual General Meeting. Details of Mr LAN Jen Kuei, Konrad and Mr CHANG Yung Ping, Johnny which are required to be disclosed by the Listing Rules are set out in the Appendix C of this circular.

IV. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages 13 to 15 of this circular. At the Annual General Meeting, resolutions will be proposed to approve, inter alia, the granting of the Buyback Mandate and the Issuance Mandate and the extension of the Issuance Mandate by the addition thereto of the number of Shares repurchased pursuant to the Buyback Mandate.

A form of proxy for use at the Annual General Meeting is enclosed with this circular and such proxy form is also published on the website of the Stock Exchange (www.hkex.com.hk). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority at the Company's Share Registrar in Hong Kong, Tricor Investor Services Limited, G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the Annual General Meeting. Completion and return of the proxy form will not preclude you from attending and voting at the aforesaid meeting if you so wish.

V. RECOMMENDATION

The Directors are of the opinion that the proposed granting of the Buyback Mandate, the granting/extension of Issuance Mandate and the proposed re-election of Director are all in the best interests of the Company and its Shareholders. Accordingly, the Directors recommend you to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting on the terms set out in the notice of that meeting.

VI. GENERAL INFORMATION

Your attention is also drawn to the additional information set out in the Appendix A (Explanatory Statement on the Buyback Mandate), Appendix B (Procedure by which Shareholders may demand a poll at general meeting pursuant to the Current Articles of Association) and Appendix C (Details of Directors proposed to be re-elected at Annual General Meeting) to this circular.

Yours faithfully

On behalf of the Board

Chia Hsin Cement Greater China Holding Corporation

WANG Chien Kuo, Robert

Chairman

The following is the explanatory statement required to be sent to Shareholders under the Listing Rules to enable them to make an informed decision on whether to vote for or against the ordinary resolution in relation to the granting of Buyback Mandate to be proposed at the Annual General Meeting.

1. REASONS FOR SHARE BUYBACK

The Directors believe that the proposed granting of the Buyback Mandate is in the interests of the Company and its Shareholders.

Repurchases of Shares may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per Share. The Directors are seeking the granting of the Buyback Mandate to give the Company the flexibility to do so if and when appropriate. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time, having regard to the circumstances then pertaining.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company was US\$11,429,000 comprising of 1,142,900,000 Shares of US\$0.01 each.

Subject to the passing of Ordinary Resolution no. 4 set out in the notice of the Annual General Meeting in respect of the granting of the Buyback Mandate and on the basis that no Shares are issued or repurchased by the Company prior to the date of the Annual General Meeting, the Directors would be authorized under the Buyback Mandate to repurchase a maximum of 114,290,000 Shares (representing 10% of the Shares in issue as at the Latest Practicable Date) during the period in which the Buyback Mandate remains in force.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association, the Current articles of association, the Listing Rules, the laws of the Cayman Islands and/or any other applicable laws.

The Company is empowered by its memorandum of association and the Current Articles of association to repurchase Shares and it intends to use profits of the Company or the proceeds of a fresh issue of shares made for the purposes of the repurchases, which will be decided by the Directors at the relevant time, having regard to the circumstances then pertaining.

4. IMPACT OF REPURCHASES

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the financial position disclosed in its latest published audited financial statements for the year ended 31 December 2004) in the event that the Buyback Mandate was to be

carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Buyback 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.

5. TAKEOVERS CODE

If, on the exercise of the power to repurchase Shares pursuant to the Buyback Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of The Hong Kong Code on Takeovers and Mergers (the "Takeovers Code"). Accordingly, a Shareholder, or group of Shareholders acting in concert, 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 for all the Shares not already owned by such Shareholder or group of Shareholders.

As at the Latest Practicable Date, Chia Hsin Pacific Limited was interested in 814,000,000 Shares, representing approximately 71.22% of the issued Shares of the Company. Chia Hsin Cement Corporation ("CHC"), the ultimate controlling Shareholder of the Company, was interested in approximately 69.74% of the equity interests in Chia Hsin Pacific Limited. In addition, each of CHC and Tong Yang Chia Hsin International Corporation (a subsidiary of CHC which is owned as to 87.18% of the equity interests by CHC) is interested in approximately 19.33% and 20.18% of the equity interests in International Chia Hsin Corp which in turn is interested in 5,658,000 Shares, representing approximately 0.49% of the issued Shares of the Company. CHC is therefore deemed to be interested in 819,658,000 Shares, representing approximately 71.71% of the issued Shares of the Company. On the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, in the event that the Directors exercise in full the power to repurchase Shares of the Company in accordance with the terms of the ordinary resolution to be proposed at the Annual General Meeting, the interests of CHC would be increased to approximately 79.69%. The Directors will not make repurchase of Shares if the result of the repurchase would be that less than 25% of the issued share capital of the Company would be in public hands.

The Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Buyback Mandate.

6. GENERAL

None of the Directors nor, to the best of their knowledge and having made all reasonable enquiries, their associates, have any present intention to sell any Shares to the Company in the event that the Buyback Mandate is approved by the Shareholders.

No connected person has notified the Company that he has a present intention to sell Shares to the Company, or has undertaken not to sell any of the Shares held by them to the Company in the event that the Buyback Mandate is granted.

The Directors have undertaken to the Stock Exchange to exercise the Buyback Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

7. MARKET PRICES OF SHARES

The highest and lowest prices per Shares at which the Shares have been traded on the Stock Exchange during each of the previous 12 months and up to the Latest Practicable Date were as follows:

Month	Shares	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2004		
March	2.100	1.870
April	2.075	1.420
May	1.590	1.210
June	1.500	1.280
July	1.610	1.390
August	1.500	1.330
September	1.550	1.370
October	1.530	1.210
November	1.310	1.200
December	1.280	1.080
2005		
January	1.350	1.200
February	1.330	1.250
March	1.310	0.980
April (up to the Latest Practicable Date)	1.010	0.960

8. REPURCHASES OF SHARES MADE BY THE COMPANY

During the six months preceding the Latest Practicable Date, the Company has not repurchased any of its Shares.

APPENDIX B PROCEDURE BY WHICH SHAREHOLDERS MAY DEMAND A POLL AT GENERAL MEETING PURSUANT TO THE ARTICLES OF ASSOCIATION

The following is setting out the procedure by which the Shareholders may demand a poll at the Annual General Meeting.

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

- (a) the Chairman of the meeting; or
- (b) at least five Shareholders present in person (or in the case of a corporation, by its duly authorised representative) or by proxy and entitled to vote; or
- (c) any Shareholder or Shareholders present in person or in the case of a corporation, by its duly authorised representative or by proxy and representing in the aggregate not less than one-tenth of the total voting rights of all Shareholders having the right to attend and vote at the meeting; or
- (d) any Shareholder or Shareholders present in person (or in the case of a corporation, by its duly authorised representative) or by proxy and holding shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all Shares conferring that right.

Pursuant to the Listing Rules, the details of the Directors who will retire at the Annual General Meeting according to the Current Articles of Association of the Company and will be proposed to be re-elected at the Annual General Meeting are provided below:

Mr CHANG Yung Ping, Johnny, aged 58, an non-executive Director

Experience, length of service, other major appointments and qualifications

Mr CHANG Yung Ping, Johnny (“Mr CHANG”) was appointed as a non-executive Director of the Company on 10 June 2003. Mr CHANG graduated from the New York University in 1972 with a master degree in business administration. Mr CHANG has over 31 years of experience in the cement industry. Except that Mr CHANG has been an non-executive Director of the Company and the chairman of Chia Hsin Cement Corporation (“CHC”), a company listed in the Taiwan Stock Exchange and the ultimate controlling Shareholder of the Company, he did not hold other directorship in listed public companies in the last three years. Mr CHANG is also a director of the related companies of CHC group as follows:

1. Chia Hsin Jingyang Cement Co., Ltd.;
2. Jiangsu Union Cement Co., Ltd.;
3. Shanghai Chia Hsin Ganghui Co., Ltd.;
4. Chia Hsin Business Consulting (Shanghai) Co., Ltd.; and
5. Shanghai Jiahuan Concrete Company Limited.

Relationships with Directors, senior management or substantial/controlling Shareholders

Mr CHANG is the father of Mr CHANG Kang Lung, Jason, an executive Director, the brother of Mr CHANG An-Ping, Nelson, an non-executive Director, the brother-in-law of Mr WANG Chien Kuo, Robert, an executive Director, uncle of Ms WANG Li Shin, Elizabeth, an executive Director and relative of Mr LAN Jen Kuei, Konrad, an executive Director.

Interests in securities

As at the Latest Practicable Date, Mr CHANG was holding the interests in shares of the Company and its associated corporations within the meaning of Part XV of the SFO as follows:

Name of Company	Number of ordinary shares (long positions)			Approximate percentage of issued share capital (%)
	Personal interests	Family interests	Total number of shares	
The Company	10,000,000	1,150,000	11,150,000	0.97
Chia Hsin Pacific Limited*	107,738	—	107,738	0.48
CHC*	61,045,240	—	61,045,240	8.72
Tong Yang Chia Hsin International Corporation*	380,781	—	380,781	0.22
Chia Hsin Construction and Development Corp.*	8,169,600	—	8,169,600	16.43
Sung-Ju Investment Corporation**	14,750,000	—	14,750,000	59.47

* Associated corporations of the Company

** A corporation held approximately 4.75% shareholding interests in CHC

Director's emoluments

Mr CHANG entered into a service contract with the Company on 20 May 2004 for a term of one year and he is entitled to a fee of HK\$100,000 per annum. Subject to the re-election at the Annual General Meeting, the proposed length of service of Mr CHANG with the Company will be for a term of one year with effective from the conclusion of the Annual General Meeting.

Matters that need to be brought to the attention of the Shareholders

There are no other matters that need to be brought to the attention of the Shareholders.

Mr LAN Jen Kuei, Konrad, aged 69, an executive Director*Experience, length of service, other major appointments and qualifications*

Mr LAN Jen Kuei, Konrad ("Mr LAN") was appointed as an executive Director and the vice-chairman of the Company's group on 10 June 2003 and 26 November 2003 respectively. Mr LAN is in charge of the domestic and international trading activities of the Company's group. Mr LAN has over 13 years of experience in the cement industry. Mr LAN graduated from the National Taiwan University with an undergraduate degree in economics in 1959 and from the Waseda University,

Tokyo, Japan with a master degree in economics in 1964. Mr LAN joined the CHC group in November 1991 and was in charge of expanding CHC group's logistics business to the PRC. Except that Mr LAN has been an executive Director of the Company, he did not hold other directorship in listed public companies in the last three years. Mr LAN is also a director of the related companies of the CHC group as follows:

1. Jiangsu Union Cement Co., Ltd.;
2. Shanghai Chia Hsin Ganghui Co., Ltd.;
3. Chia Hsin Business Consulting (Shanghai) Co. Ltd.;
4. Shanghai Chia Hsin Company Limited;
5. Shanghai Chang Hsin Shipping Company Limited; and
6. Shanghai Jiahuan Concrete Company Limited;

Relationships with Directors, senior management or substantial/controlling Shareholders

Mr LAN is the brother-in-law of Mr WANG Chien Kuo, Robert, an executive Director and an uncle of Ms WANG Li Shin, Elizabeth, an executive Director. Mr LAN is also a relative of Mr CHANG Kang Lung, Jason, an executive Director and two non-executive Directors, namely Mr CHANG Yung Ping, Johnny and Mr CHANG An Ping, Nelson.

Interests in securities

As at the Latest Practicable Date, Mr LAN was holding 64,000 shares in person, representing approximately 0.01% of the issued shares of CHC within the meaning of Part XV of the SFO.

Director's emoluments

Mr LAN entered into a service contract with the Company for an initial term of three years commencing from 12 December 2003, and will continue thereafter for a successive term of one year until terminated by either party with the giving of notice in writing for not less than three months to the other party. Mr LAN is entitled to a fee of HK\$150,000 per annum, subject to an annual adjustment of not more than 10% after one year of service at the discretion of the Board. Mr LAN is also entitled to remuneration as the vice-chairman of the Company. Moreover, Mr LAN shall receive remuneration on the basis of thirteen months for a year.

In addition, Mr LAN is entitled to a discretionary management bonus after one year of service provided that the aggregate amount of the bonuses payable to all the executive Directors for any financial year of the Company may not exceed 3% of the audited combined or consolidated net profit of the Company's group (after taxation and minority interests and payment of such bonus) and the profit after the payment of the total bonuses to all executive Directors shall exceed US\$14,600,000. The Company at its discretion, did not pay any discretionary management bonus to Mr LAN or other executive Directors for the Company's financial year ended 31 December 2004.

Matters that need to be brought to the attention of the Shareholders

There are no other matters that need to be brought to the attention of the Shareholders.

NOTICE OF ANNUAL GENERAL MEETING



嘉新水泥（中國）控股股份有限公司*

Chia Hsin Cement Greater China Holding Corporation

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 699)

NOTICE IS HEREBY GIVEN THAT an Annual General Meeting of the Members of Chia Hsin Cement Greater China Holding Corporation (the “Company”) will be held at JW Marriott Hong Kong, One Pacific Place, 88 Queensway, Hong Kong on Wednesday, 25 May 2005 at 10:00 a.m. for the following purposes:

1. To receive and consider the Audited Consolidated Financial Statements and the Reports of the Directors and of the Auditors for the year ended 31 December 2004.
2. To re-elect Directors and to authorise the Board of Directors to fix the Directors’ remuneration.
3. To consider the appointment of Auditors and to authorise the Board of Directors to fix their remuneration.
4. As special business, to consider and, if thought fit, pass with or without modification the following resolution as an ordinary resolution:

“THAT:

- (a) Subject to paragraphs (b) and (c) of this resolution, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as defined below) of all the powers of the Company to repurchase issued shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or requirements of the Stock Exchange or any other stock exchange as amended from time to time, be and the same is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution shall, in addition to any other authorisation given to the Directors, authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to purchase its own shares at a price to be determined by the Directors;
- (c) the aggregate nominal amount of the issued shares 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% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution and the said approval shall be limited accordingly; and

* For identification purposes only

NOTICE OF ANNUAL GENERAL MEETING

(d) for the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or its articles of association to be held; or
- (iii) the revocation or variation of the authority granted under this resolution by an ordinary resolution of the shareholders of the Company in general meetings.”

5. As special business, to consider and, if thought fit, pass with or without modification the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraphs (b) and (c) below and without prejudice to the resolution numbered 6 set out in the notice of this Meeting, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as defined in resolution numbered 4(d) set out in the notice of this Meeting) of all the powers of the Company to allot, issue and deal with shares in the capital of the Company or securities convertible into shares or options, warrants or similar rights to subscribe for any shares in the Company and to make or grant offers, agreements and options which might require the exercise of such power, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall, in addition to any other authorisation given to the Directors, authorise the Directors during the Relevant Period to make or grant offers, agreements or options (including warrants or similar rights to subscribe for any shares in the Company) which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of securities allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with by the Directors pursuant to the approval given in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); (ii) the exercise of the rights of subscription or conversion under the terms of any securities or bonds which are convertible into any shares in the capital of the Company; (iii) any options granted or issue of shares under any share option scheme or similar arrangement for the time being adopted by the Company, or (iv) any scrip dividend schemes or similar arrangements providing for the allotment of shares in lieu of the whole or part of a dividend on shares in accordance with the articles of association of the Company, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution and the said approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

(d) for the purposes of this resolution:

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares on the Register 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 in any territory outside Hong Kong).”

6. As special business, to consider and, if thought fit, pass with or without modification the following resolution as an ordinary resolution:

“**THAT** conditional upon the passing of the resolutions numbered 4 and 5 set out in the notice of this Meeting, the aggregate nominal amount of the shares in the Company which are repurchased by the Company pursuant to and in accordance with the said resolution numbered 4 shall be added to the aggregate nominal amount of the shares in the Company that may be allotted, issued or dealt with or agreed conditionally or unconditionally by the directors of the Company pursuant to and in accordance with the said resolution numbered 5.”

On behalf of the Board
WANG Chien Kuo, Robert
Chairman

Hong Kong, 11 April 2005

Notes:

- (a) The Register of Members of the Company will be closed from Thursday, 19 May 2005 to Wednesday, 25 May 2005 (both days inclusive), during which period no transfer of shares can be registered. In order to qualify for attending the above meeting, all transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Company’s Share Registrar in Hong Kong, Tricor Investor Services Limited at G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 18 May 2005.
- (b) A shareholder of the Company who is the holder of two or more shares may appoint more than one proxy to represent him on his behalf. A proxy need not be a shareholder of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
- (c) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, must be lodged with the Company’s Share Registrar in Hong Kong, Tricor Investor Services Limited at G/F, 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.