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If you are in any doubt as to any aspect of this document or as to the action to be taken you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold all your shares in The Hong Kong and China Gas Company Limited, you should at once hand this document and the accompanying form of proxy 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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THE HONG KONG AND CHINA GAS COMPANY LIMITED

(Incorporated in Hong Kong under the Companies Ordinance)

(Stock Code: 0003)

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

The notice convening the Annual General Meeting of The Hong Kong and China Gas Company Limited to be held in Hong Kong on Friday, 19th May 2006 at noon at which the above proposals will be considered is set out on pages 11 to 14. Whether or not you are able to attend the meeting, please complete and return the accompanying form of proxy as instructed as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting.

25th April 2006

CONTENTS

	<i>Page</i>
Definitions	ii
Letter from the Chairman	
1. Introduction	1
2. Closure of Register of Members	1
3. Re-election of Retiring Directors	2
4. General Mandates to Issue Shares and Repurchase Shares	2
5. Annual General Meeting	2
6. Recommendations	3
Appendix I – Biography of Retiring Directors Who Stand for Re-election	4
Appendix II – Explanatory Statement	8
Notice of Annual General Meeting	11

DEFINITIONS

In this document and the appendix the following expressions have the following meanings unless the context otherwise requires:—

“Annual General Meeting”	the annual general meeting of the Company to be held on Friday, 19th May 2006 at noon, notice of which is set out on pages 11 to 14 of this document
“Articles of Association”	the articles of association of the Company as altered from time to time
“Board of Directors”	the board of directors of the Company
“Company”	The Hong Kong and China Gas Company Limited
“Latest Practicable Date”	18th April 2006, being the latest practicable date prior to the printing of this document for ascertaining certain information contained in this document
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Ordinance”	Companies Ordinance (Cap. 32 of the Laws of Hong Kong)
“Record Date”	Friday, 12th May 2006, being the date for determination of entitlement to the final dividend
“Register”	the register of members of the Company
“Shareholders”	holders of Shares
“Shares”	shares of \$0.25 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“\$” or “cent”	Hong Kong dollars and cents respectively

LETTER FROM THE CHAIRMAN

THE HONG KONG AND CHINA GAS COMPANY LIMITED

(Incorporated in Hong Kong under the Companies Ordinance)

Directors:

Dr. Lee Shau Kee, Chairman*
Mr. Liu Lit Man**
Mr. Leung Hay Man**
Mr. Colin Lam Ko Yin*
Dr. The Hon. David Li Kwok Po**
Mr. Ronald Chan Tat Hung
Mr. Lee Ka Kit*
Mr. Alfred Chan Wing Kin
Mr. James Kwan Yuk Choi
Mr. Lee Ka Shing*

Registered Office:

23rd Floor
363 Java Road
North Point
Hong Kong

* *non-executive director*

** *independent non-executive director*

25th April 2006

To the Shareholders

Dear Sir or Madam,

PROPOSALS FOR RE-ELECTION OF RETIRING DIRECTORS AND GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES

1. INTRODUCTION

The purpose of this document is to give you notice of the Annual General Meeting to be convened for the purpose of considering and, if thought fit, passing resolutions to approve, inter alia, the re-election of retiring directors and the renewal of the general mandates to issue Shares and repurchase Shares.

2. CLOSURE OF REGISTER OF MEMBERS

The Register will be closed from Wednesday, 10th May 2006 to Friday, 12th May 2006 (both days inclusive) in order to determine entitlements of Shareholders to the proposed final dividend for the financial year ended 31st December 2005. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Registrars, Computershare Hong Kong Investor Services Limited, at 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:00 p.m. on Tuesday, 9th May 2006.

LETTER FROM THE CHAIRMAN

3. RE-ELECTION OF RETIRING DIRECTORS

According to the Articles of Association, one-third of the non-executive directors and one-third of the executive directors of the Company are subject to retirement by rotation at every annual general meeting. Pursuant to Article 97 of the Articles of Association, Dr. Lee Shau Kee, Mr. Liu Lit Man and Dr. The Hon. David Li Kwok Po, non-executive directors of the Company, and Mr. Ronald Chan Tat Hung, an executive director of the Company, are due to retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for reappointment. The details and brief biography of each of Dr. Lee Shau Kee, Mr. Liu Lit Man, Dr. The Hon. David Li Kwok Po and Mr. Ronald Chan Tat Hung are set out in Appendix I to this document.

4. GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES

At the annual general meeting of the Company held on 4th May 2005, ordinary resolutions were passed to renew the general mandates to the Board of Directors (i) to repurchase Shares, the aggregate nominal amount of which does not exceed 10 per cent of the aggregate nominal amount of the issued share capital of the Company at the date of the relevant resolution; and (ii) to allot, issue and otherwise deal with Shares not exceeding 20 per cent of the aggregate nominal amount of the share capital of the Company in issue on 4th May 2005 and the nominal amount (up to a maximum of 10 per cent of the aggregate nominal amount of the Company's then issued share capital) of any Shares repurchased by the Company.

Pursuant to the Ordinance and the Listing Rules, these general mandates will lapse at the conclusion of the Annual General Meeting, unless renewed then. Resolutions set out as Resolutions 6(I), 6(II) and 6(III) in the notice of Annual General Meeting will be proposed to renew these mandates. In relation to the renewal of the general mandate to allot, issue and otherwise deal with Shares, the Board would propose in the forthcoming Annual General Meeting to restrict the mandate to 10 per cent if the Shares are to be allotted wholly for cash and in any event, not exceeding 20 per cent of the aggregate nominal amount of the share capital of the Company. With reference to these resolutions, the Board of Directors wishes to state that they have no immediate plans to repurchase any Shares or to issue any new Shares or warrants pursuant to the relevant mandates.

The explanatory statement required by the Listing Rules to be sent to Shareholders in connection with the proposed repurchase resolution is set out in the Appendix II to this document. This contains all the information reasonably necessary to enable Shareholders to make an informed decision on whether to vote for or against the resolution.

5. ANNUAL GENERAL MEETING

The notice convening the Annual General Meeting to be held at the Four Seasons Grand Ballroom, Four Seasons Hotel, 8 Finance Street, Central, Hong Kong on Friday, 19th May 2006 at noon is set out on pages 11 to 14. At the Annual General Meeting, ordinary resolutions numbered 3, 6(I), 6(II) and 6(III) will be proposed to re-elect the retiring directors of the Company, to approve the renewal of the general mandate for the repurchase of Shares and the renewal of the general mandate to allot, issue and otherwise deal with additional Shares.

LETTER FROM THE CHAIRMAN

A form of proxy for the Annual General Meeting is enclosed. Whether or not you are attending the meeting, please complete the form of proxy as instructed and return the same to the Company's Registrars, Computershare Hong Kong Investor Services Limited, at 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible and in any event no later than 48 hours before the time appointed for holding the meeting. You can still attend and vote at the Annual General Meeting even if you have completed and sent in a proxy form.

Pursuant to Article 70 of the Articles of Association, a resolution put to the vote at any general 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 of a poll) a poll is properly demanded. Subject to the Ordinance and the rules prescribed by the Stock Exchange from time to time, a poll may be demanded by:

- (a) the chairman of the general meeting; or
- (b) at least three Shareholders present in person or by proxy and entitled to vote; or
- (c) any Shareholder or Shareholders present in person 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 general meeting; or
- (d) any Shareholder or Shareholders present in person or by proxy and holding shares conferring a right to attend and vote at the general 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.

At the Annual General Meeting, the Chairman of the meeting will exercise his power under Article 70 of the Articles of Association to put each of the resolutions set out in the Notice of Annual General Meeting to the vote by way of poll.

6. RECOMMENDATIONS

The Board of Directors believes that the re-election of the retiring directors and the general mandates to repurchase Shares and to issue new Shares are in the interests of the Company and the Shareholders and accordingly recommend you to vote in favour of all the relevant resolutions to be proposed at the Annual General Meeting.

Yours faithfully,
Lee Shau Kee
Chairman

Dr. LEE Shau Kee D.B.A. (Hon.), D.S.Sc. (Hon.), LL.D. (Hon.), *Chairman and Non-executive Director*

Aged 77. Dr. Lee was appointed to the Board of Directors of the Company in 1978 and subsequently appointed Chairman in 1983. He has been engaged in property development in Hong Kong for more than 50 years. Dr. Lee is the Chairman and Managing Director of Henderson Land Development Company Limited (“Henderson Land Development”) and Henderson Investment Limited (“Henderson Investment”), Chairman of Miramar Hotel and Investment Company, Limited, a Vice Chairman of Sun Hung Kai Properties Limited, a Director of Hong Kong Ferry (Holdings) Company Limited and The Bank of East Asia, Limited, all of which are listed public companies. He is also the Chairman of Henderson Cyber Limited and a Director of Henderson China Holdings Limited, both being listed companies in Hong Kong until their privatisation on 12th December 2005 and 15th August 2005, respectively. Save as disclosed, Dr. Lee did not hold any directorship in other listed public companies in the last three years. Dr. Lee is the father of Mr. Lee Ka Kit and Mr. Lee Ka Shing, Non-executive Directors of the Company.

Dr. Lee is also a Director of Henderson Development Limited (“Henderson Development”), Kingslee S.A. (“Kingslee”), Timpani Investments Limited (“Timpani Investments”), Disralei Investment Limited (“Disralei Investment”), Medley Investment Limited (“Medley Investment”) and Macrostar Investment Limited (“Macrostar Investment”). Henderson Land Development, Henderson Investment, Henderson Development, Kingslee, Timpani Investments, Disralei Investment, Medley Investment and Macrostar Investment have disclosable interests in the Company under the provisions of the Securities and Futures Ordinance.

As at the Latest Practicable Date, Dr. Lee has personal interest of 3,226,174 Shares (representing 0.06 per cent of the issued share capital of the Company) and a corporate interest of 2,189,511,776 Shares (representing 39.75 per cent of the issued share capital of the Company) within the meaning of Part XV of the Securities and Futures Ordinance. He also has a corporate interest of 9,500 shares (95 per cent) in Lane Success Development Limited, 95 shares (100 per cent) in Primeland Investment Limited and 2 shares (100 per cent) in Yieldway International Limited, all of which are associated corporations of the Company.

The term of office for Dr. Lee will expire on 31st December 2008 and is subject to retirement by rotation and reappointment in accordance with the Articles of Association. The director’s fee and additional fee payable to him shall be recommended by the remuneration committee of the Company with endorsement of the Board of Directors and shall be subject to Shareholders’ approval in annual general meeting. His other emolument is determined with reference to his duties and responsibilities. For the year ended 31st December 2005, Dr. Lee received a fixed remuneration of \$260,000 as director’s fee and additional fee as Chairman and other emolument of \$90,000 from the Company.

Save as disclosed above, there is no information to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders.

Mr. LIU Lit Man G.B.S., J.P., F.I.B.A., *Independent Non-executive Director*

Aged 76. Mr. Liu was appointed to the Board of Directors of the Company in 1975. He is the Executive Chairman of Liu Chong Hing Bank Limited, Chairman of Liu Chong Hing Investment Limited and a Director of COSCO Pacific Limited, all of which are listed public companies. Save as disclosed, Mr. Liu did not hold any directorship in other listed public companies in the last three years. Mr. Liu is also the Chairman of Liu Chong Hing Insurance Company Limited and a Director of Asia Commercial Bank Limited. He was formerly a Director of Tung Wah Group of Hospitals, President of the Hong Kong Chiu Chow Chamber of Commerce (now Permanent Honorary President) and founder and first Chairman of Teochew International Convention (now Permanent Honorary Chairman). He is a Standing Committee Member of The Chinese General Chamber of Commerce, Hong Kong, a Manager of Liu Po Shan Memorial College, a Director of New Asia College of the Chinese University of Hong Kong, a founding member of the Court of the Hong Kong Polytechnic University and the founder of Chiu Chow Association Secondary School.

As at the Latest Practicable Date, Mr. Liu has personal interest of 1,778,681 Shares (representing 0.03 per cent of the issued share capital of the Company) within the meaning of Part XV of the Securities and Futures Ordinance.

The term of office for Mr. Liu will expire on 31st December 2008 and is subject to retirement by rotation and reappointment in accordance with the Articles of Association. The director's fee payable to him shall be recommended by the remuneration committee of the Company with endorsement of the Board of Directors and shall be subject to Shareholders' approval in annual general meeting. His other emolument is determined with reference to his duties and responsibilities. For the year ended 31st December 2005, Mr. Liu received a fixed remuneration of \$130,000 as director's fee and other emolument of \$30,000 from the Company.

Save as disclosed above, there is no information to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders.

Dr. The Hon. David Li Kwok Po G.B.S., O.B.E., J.P., M.A., Hon. LL.D (Cantab), Hon. D.Soc.Sc., F.C.A., F.C.P.A., F.C.P.A. (Aust.), F.C.I.B., F.H.K.I.B., F.B.C.S., C.I.T.P., F.C.I.Arb., Officer de la Légion d'Honneur, *Independent Non-executive Director*

Aged 66. Dr. Li was appointed to the Board of Directors of the Company in 1984. He is the Chairman and Chief Executive of The Bank of East Asia, Limited. Dr. Li is also a Director of AviChina Industry & Technology Company Limited, China Merchants China Direct Investments Limited, China Overseas Land & Investment Limited, COSCO Pacific Limited, Dow Jones & Company, Inc., Guangdong Investment Limited, The Hongkong and Shanghai Hotels, Limited, PCCW Limited, San Miguel Brewery Hong Kong Limited, SCMP Group Limited and Vitasoy International Holdings Limited, all of which are listed public companies. He was a Director of Henderson Cyber Limited (being a listed company in Hong Kong until its privatisation on 12th December 2005) and resigned on 31st March 2006. He was also a Director of Sime Darby Berhad, a listed public company, and retired on 25th October 2005. Save as disclosed, Dr. Li did not hold

any directorship in other listed public companies in the last three years. Dr. Li is the Chairman of The Chinese Banks' Association, Limited and the Hong Kong Management Association. Dr. Li is currently a Member of the Banking Advisory Committee and the Exchange Fund Advisory Committee. He is also a Member of the Council of the Treasury Markets Association. He is a Member of the Legislative Council and a Non-official Member of the Executive Council of the Hong Kong Special Administrative Region.

As at the Latest Practicable Date, Dr. Li has personal interest of 15,000,000 Shares (representing 0.27 per cent of the issued share capital of the Company) within the meaning of Part XV of the Securities and Futures Ordinance.

The term of office for Dr. Li will expire on 31st December 2008 and is subject to retirement by rotation and reappointment in accordance with the Articles of Association. The director's fee payable to him shall be recommended by the remuneration committee of the Company with endorsement of the Board of Directors and shall be subject to Shareholders' approval in annual general meeting. His other emolument is determined with reference to his duties and responsibilities. For the year ended 31st December 2005, Dr. Li received a fixed remuneration of \$130,000 as director's fee and other emolument of \$60,000 from the Company.

Save as disclosed above, there is no information to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders.

Mr. Ronald CHAN Tat Hung F.C.P.A., F.C.C.A., F.C.M.A., F.C.P.A. (Aust.), F.C.I.S., M.H.K.S.I., *Executive Director and Company Secretary*

Aged 62. Mr. Chan joined the Company as the Chief Accountant in 1973. He was promoted to the Financial Controller and Company Secretary in 1980 and was appointed to the Board of Directors of the Company as the Finance Director in 1988 and as the Executive Director in 1995. Mr. Chan is a Director of the subsidiary companies of the Group. He is also a Director of Hong Kong & China Gas Investment Limited, the Group's investment holding company in mainland China. Mr. Chan is a Director of the companies for four major prime property development projects at Grand Promenade, Grand Waterfront, Airport Railway Hong Kong Station and King's Park Hill. Mr. Chan did not hold any directorship in other listed public companies in the last three years. He has more than 36 years' experience in the utilities' business and finance in Hong Kong.

As at the Latest Practicable Date, Mr. Chan has personal interest of 1,940 Shares (representing less than 0.01 per cent of the issued share capital of the Company) within the meaning of Part XV of the Securities and Futures Ordinance.

As at the Latest Practicable Date, Mr. Chan has no fixed nor proposed term of director's service but is subject to retirement by rotation and reappointment in accordance with the Articles of Association. The director's fee payable to him shall be recommended by the remuneration committee of the Company with endorsement of the Board of Directors and shall be subject to Shareholders' approval in annual general meeting. His other emoluments are determined with reference to his duties and responsibilities and the Company's performance and profitability. For

the year ended 31st December 2005, Mr. Chan received a fixed remuneration of \$130,000 as director's fee and other emoluments of \$9,410,000 from the Company.

Save as disclosed above, there is no information to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders.

The following is the Explanatory Statement required to be sent to Shareholders under the Listing Rules in connection with the proposed general mandate for the repurchase of Shares and also constitutes the memorandum required under section 49BA of the Ordinance. References in this statement to “shares” means share(s) of all classes in the capital of the Company and includes shares of \$0.25 each and securities issued by the Company which carry a right to subscribe or purchase shares in the capital of the Company.

- (i) The resolution set out as Resolution 6(I) in the notice convening the Annual General Meeting which will be proposed as an ordinary resolution at that meeting, relates to the grant of a general mandate to directors to repurchase on the Stock Exchange fully-paid up shares representing up to 10 per cent of the Shares in issue as at the date of such Resolution. As at the Latest Practicable Date, the number of Shares in issue was 5,508,759,988. On the basis of such figure and assuming there is no issue or repurchase of Shares prior to the date of the Annual General Meeting, the directors would be authorised to repurchase up to 550,875,998 Shares.
- (ii) The directors believe that the ability to repurchase shares is in the best interests of the Company and its Shareholders.

Repurchases may, depending on the circumstances, result in an increase in net assets and/or earnings per share. The directors are seeking the grant of a general mandate to repurchase Shares to give the Company the flexibility to do so if and when appropriate. The directors will decide the number(s) and class(es) of shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased at the relevant time having regard to the circumstances then pertaining.

- (iii) It is envisaged that any repurchase would be funded from the distributable profits of the Company in accordance with the Articles of Association and the laws of Hong Kong.
- (iv) The working capital or gearing position of the Company could be adversely affected (as compared with the position disclosed in the Company’s most recently published audited accounts contained in the annual report for the year ended 31st December 2005) in the event that the proposed Share 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 general mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital or gearing position of the Company as is from time to time appropriate.
- (v) None of the directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates (as defined in the Listing Rules) presently intend to sell Shares to the Company in the event that the general mandate is granted.
- (vi) The directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases pursuant to the general mandate in accordance with the Listing Rules and the laws of Hong Kong.

- (vii) As at the Latest Practicable Date, Dr. Lee Shau Kee, the Chairman, beneficially owned 3,226,174 Shares personally (0.06 per cent of the total issued Shares). In addition, 2,189,511,776 Shares (39.75 per cent of the total issued Shares) were beneficially owned by a subsidiary of Henderson Development, Fu Sang Company Limited (“FS”) and some of the subsidiaries of Henderson Investment. Henderson Land Development, a subsidiary of Henderson Development, beneficially owned more than 50 per cent of the issued shares of Henderson Investment. Rimmer (Cayman) Limited (“Rimmer”) as trustee of a discretionary trust held a majority of units in a unit trust (“Unit Trust”). Hopkins (Cayman) Limited (“Hopkins”) as trustee of the Unit Trust beneficially owned all the issued ordinary shares which carry the voting rights in the share capitals of Henderson Development and FS. Dr. Lee Shau Kee beneficially owned all the issued shares of Rimmer and Hopkins.
- (viii) Together with his personal shareholding in the Company, Dr. Lee Shau Kee was interested in 2,192,737,950 Shares (39.80 per cent of the total issued Shares) as at the Latest Practicable Date. If the repurchase mandate is exercised in full by the Company and assuming that Dr. Lee Shau Kee does not dispose of any of his Shares, his percentage shareholding in the Company will amount to 44.23 per cent of the total issued Shares. Accordingly, under Rule 26 of the Hong Kong Code on Takeovers and Mergers, an obligation to make a general offer to Shareholders may arise as a result of an exercise of the mandate.
- (ix) In the six months immediately prior to the Latest Practicable Date, the Company repurchased Shares on the Stock Exchange as follows:

Date of Repurchase	Number of Shares Repurchased	Price per Share	
		Highest (\$)	Lowest (\$)
18th October 2005	3,310,000	16.05	15.95
19th October 2005	5,173,000	16.00	15.85
20th October 2005	3,492,000	15.95	15.90
21st October 2005	350,000	15.95	15.95
24th October 2005	600,000	15.85	15.85
25th October 2005	600,000	15.90	15.90
26th October 2005	2,500,000	15.90	15.90
27th October 2005	1,123,000	15.90	15.85
28th October 2005	3,111,000	15.95	15.85
31st October 2005	2,670,000	16.00	15.95
1st November 2005	1,000,000	16.10	16.10
2nd November 2005	740,000	16.15	16.10

Save as disclosed above, the Company had not purchased any Shares in the six months immediately prior to the Latest Practicable Date.

- (x) No “connected person” (as defined in the Listing Rules) has notified the Company that it has a present intention to sell Shares to the Company and no such persons have undertaken not to sell any Shares held by them to the Company in the event that the general mandate is granted by the Shareholders.
- (xi) The highest and lowest prices at which the Shares traded on the Stock Exchange in the previous twelve months are as follows:

	Highest	Lowest
	(\$)	(\$)
April 2005	16.00	15.00
May 2005	16.40	15.55
June 2005	16.05	15.55
July 2005	16.35	15.65
August 2005	16.30	15.60
September 2005	16.30	15.65
October 2005	16.25	15.80
November 2005	17.10	15.95
December 2005	17.00	16.30
January 2006	17.50	16.45
February 2006	19.75	16.60
March 2006	19.30	17.90

(In case of discrepancy between the original English version and the Chinese translation of this document, the English version shall prevail.)

NOTICE OF ANNUAL GENERAL MEETING

THE HONG KONG AND CHINA GAS COMPANY LIMITED

(Incorporated in Hong Kong under the Companies Ordinance)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of The Hong Kong and China Gas Company Limited will be held in the Four Seasons Grand Ballroom, Four Seasons Hotel, 8 Finance Street, Central, Hong Kong on Friday, 19th May 2006 at noon for the following purposes:

1. To receive and consider the statement of accounts for the year ended 31st December 2005 and the reports of the Directors and Auditors thereon.
2. To declare a final dividend.
3. To re-elect Directors.
4. To re-appoint PricewaterhouseCoopers as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.
5. To approve each Director's fee at the rate of HK\$130,000 per annum; in the case of the Chairman an additional fee at the rate of HK\$130,000 per annum; and in the case of each member of the Audit Committee an additional fee at the rate of HK\$100,000 per annum, and for each following financial year until the Company in general meeting otherwise determines.
6. As special business, to consider and, if thought fit, pass the following resolutions as ordinary resolutions:

(I) **“THAT**

- (a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to purchase Shares be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares which may be purchased pursuant to the approval in paragraph (a) above shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution, and the said approval shall be limited accordingly;

NOTICE OF ANNUAL GENERAL MEETING

(c) for the purpose of this Resolution:

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

- (i) the conclusion of the next Annual General Meeting of the Company;
- (ii) 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 by law 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;

“Shares” means shares of all classes in the capital of the Company and warrants and other securities which carry a right to subscribe or purchase shares of the Company.”

(II) **“THAT**

- (a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and otherwise deal with additional Shares and to make, issue or grant offers, agreements, options and warrants which will or might require Shares to be allotted, issued or disposed of during or after the end of the Relevant Period be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue, or (ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into Shares, shall not exceed, where the Shares are to be allotted wholly for cash, 10 per cent and in any event 20 per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution; and

NOTICE OF ANNUAL GENERAL MEETING

- (c) for the purpose of this Resolution:

the expressions “Relevant Period” and “Shares” shall have the same meaning as assigned to them under Resolution 6(I) set out in the Notice of Annual General Meeting of which this Resolution forms part, with references to “this Resolution” in the definition of “Relevant Period” being construed as references to this Resolution 6(II); and

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company to holders of shares of the Company or any class thereof on the register of members on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the Directors of the Company 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).”

- (III) “**THAT** conditional upon the passing of Resolutions 6(I) and 6(II) set out in the Notice of Annual General Meeting of which this Resolution forms part, the general mandate granted to the Directors of the Company pursuant to the said Resolution 6(II) for the time being in force to exercise the powers of the Company to allot, issue and otherwise deal with shares in the capital of the Company and to make, issue or grant offers, agreements, options and warrants which will or might require the exercise of such powers be and is hereby extended by the addition to the total nominal amount of share capital which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company pursuant to such general mandate an amount representing the total nominal amount of shares in the capital of the Company purchased by the Company pursuant to the exercise by the Directors of the Company in accordance with the said Resolution 6(I) of the powers of the Company to purchase such shares, provided that such amount shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution.”

By Order of the Board

RONALD T.H. CHAN

Executive Director and Company Secretary

Hong Kong, 25th April 2006

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. The directors wish to state that they have no immediate plans to repurchase any existing shares or to issue any new shares or warrants.
2. Any member entitled to attend and vote at the meeting may appoint one or more than one proxy to attend, and on a poll, to vote on his behalf. A proxy need not be a member of the Company. The proxy form and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney or authority, must be deposited with the Company's Registrars, Computershare Hong Kong Investor Services Limited, at 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, at least 48 hours before the time appointed for holding the meeting.
3. At the Annual General Meeting, the Chairman of the meeting will exercise his power under Article 70 of the Articles of Association to put each of the resolutions set out in the Notice of Annual General Meeting to the vote by way of poll.
4. The register of members will be closed from Wednesday, 10th May 2006 to Friday, 12th May 2006, 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 Registrars, Computershare Hong Kong Investor Services Limited, at 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:00 p.m. on Tuesday, 9th May 2006.
5. If approved, the dividend will be payable on Monday, 22nd May 2006.