

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in ONFEM Holdings Limited, you should at once hand this circular to the purchaser or transferee or to the bank, a licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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ONFEM HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code : 230)

GENERAL MANDATES TO ISSUE AND TO REPURCHASE SHARES, RE-ELECTION OF DIRECTORS AND NOTICE OF ANNUAL GENERAL MEETING

A notice convening the AGM (as defined in this circular) to be held at The Board Room, 7th Floor, The Dynasty Club, South West Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong on Friday, 26th May, 2006 at 10:30 a.m. is set out on pages 12 to 15 of this circular. A form of proxy for use at the AGM is enclosed.

Whether or not you are able to attend the AGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not prevent you from attending and voting in person in the AGM or any adjournment thereof if you so wish.

27th April, 2006

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DEFINITIONS

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

“AGM”	an annual general meeting of the Company to be held at The Board Room, 7th Floor, The Dynasty Club, South West Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong on Friday, 26th May, 2006 at 10:30 a.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the AGM which is set out on pages 12 to 15 of this circular;
“associate”	shall have the meaning ascribed to it in the Listing Rules;
“Audit Committee”	the audit committee of the Company;
“Board”	the board of Directors (including both executive and independent non-executive Directors);
“Bye-laws”	the bye-laws of the Company;
“Company”	ONFEM Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Stock Exchange;
“connected person”	shall have the meaning ascribed to it in the Listing Rules;
“Directors”	directors (including both executive and independent non-executive directors) of the Company;
“General Mandate Resolutions”	the ordinary resolutions to be proposed and passed at the AGM for approving the granting of the Issuance Mandate and the Repurchase Mandate;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong from time to time;

DEFINITIONS

“Issuance Mandate”	the general and unconditional mandate to the Directors to exercise all the powers of the Company to allot, issue and otherwise deal with new Shares not exceeding 20% of the issued share capital of the Company;
“June Glory”	June Glory International Limited, a company incorporated in the British Virgin Islands with limited liability and currently holding approximately 53.95% of the issued share capital of the Company and a wholly owned subsidiary of Minmetals HK;
“Latest Practicable Date”	24th April, 2006, being the latest practicable date prior to the printing of this circular for ascertaining certain information herein;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time;
“Minmetals HK”	China Minmetals H.K. (Holdings) Limited, a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of China Minmetals Corporation;
“PRC”	the People’s Republic of China;
“Repurchase Mandate”	the general and unconditional mandate to the Directors authorising repurchases of Shares by the Company on the Stock Exchange not exceeding 10% of the issued share capital of the Company;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Shareholder(s)”	holder(s) of Share(s);
“Shares”	fully paid shares of HK\$0.10 each of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“substantial shareholder”	shall have the meaning ascribed to it in the Listing Rules; and
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers.

LETTER FROM THE BOARD



ONFEM HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code : 230)

Executive Directors:

Mr. ZHOU Zhongshu, *Chairman*
Mr. WANG Xingdong, *Managing Director*
Mr. YAN Xichuan, *Deputy Managing Director*
Mr. QIAN Wenchao
Ms. HE Xiaoli

Registered office:

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

Independent non-executive Directors:

Mr. LAM Chun, Daniel
Mr. Selwyn MAR
Ms. TAM Wai Chu, Maria

*Principal place of business
in Hong Kong:*

18th Floor
China Minmetals Tower
79 Chatham Road South
Tsimshatsui
Kowloon
Hong Kong

27th April, 2006

To the Shareholders

Dear Sir or Madam,

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

INTRODUCTION

At the AGM, resolutions will be proposed to approve (i) the grant of the Issuance Mandate and the Repurchase Mandate; and (ii) the re-election of retiring Directors.

The purpose of this circular is to provide you with the information reasonably necessary to enable Shareholders to make an informed decision on whether to vote for or against the ordinary resolutions to approve the grant of the Issuance Mandate and the Repurchase Mandate, and to re-elect retiring Directors.

LETTER FROM THE BOARD

ISSUANCE MANDATE AND REPURCHASE MANDATE

It will be proposed at the AGM to approve the granting of new general mandates to the Directors:

- (a) to allot, issue and deal with new Shares of an aggregate nominal amount not exceeding 20% of the issued share capital of the Company on the date of passing of the General Mandate Resolutions; and
- (b) to repurchase Shares on the Stock Exchange of an aggregate nominal amount not exceeding 10% of the issued share capital of the Company on the date of passing of the General Mandate Resolutions.

In accordance with the requirements of the Listing Rules, the Company is required to send to the Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the grant of the Repurchase Mandate. An explanatory statement as required by the Listing Rules in connection with the Repurchase Mandate is set out in the Appendix to this circular.

RE-ELECTION OF DIRECTORS

Pursuant to the bye-law 111(A) of the Bye-laws, Mr. Qian Wenchao, Ms. He Xiaoli, Mr. Selwyn Mar and Ms. Tam Wai Chu, Maria retire from office and, being eligible, offer themselves for re-election.

The followings are the particulars of Mr. Qian Wenchao, Ms. He Xiaoli, Mr. Selwyn Mar and Ms. Tam Wai Chu, Maria (as required under Rule 13.74 of the Listing Rules) who are proposed to be re-elected at the AGM:

Mr. QIAN Wenchao, aged 41, was appointed as an executive Director of the Company in November, 2003. Mr. Qian is also a director of June Glory and Minmetals HK. He earned his Bachelor of Arts degree in Economics from the Beijing Technology and Business University and completed his graduate study in accounting in the same university in 1987 and 1989 respectively. He joined China Minmetals Corporation in 1989 and has worked in the Overseas Enterprises Division of China Minmetals Corporation with responsibilities in financial management. Mr. Qian has over 10 years of experience in corporate financial management.

Mr. Qian was an executive director of Minmetals Resources Limited (formerly known as Oriental Metals (Holdings) Company Limited), a company listed on the Stock Exchange, during the period from 12th January, 2004 to 6th October, 2005. Save as disclosed above, Mr. Qian did not hold any directorships in other listed public companies in the last three years and is not connected with any Directors, senior management or substantial or controlling shareholders of the Company. On 15th March, 2004, Mr. Qian was granted an option by the Company to subscribe for 1,500,000 Shares with the exercise period from 16th March, 2004 to 15th March, 2007 under the share option scheme adopted by the

LETTER FROM THE BOARD

Company. Save as disclosed above, Mr. Qian does not have any other interests in the Shares within the meaning of Part XV of the SFO. There is no service contract between the Company and Mr. Qian and Mr. Qian is subject to retirement by rotation and re-election pursuant to the Bye-laws. No emoluments was received from the Company by Mr. Qian for the year ended 31st December, 2005. The emoluments of Directors are determined by reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the market prevailing conditions. Save as disclosed above, there are no other matters in relation to the re-election of Mr. Qian, which need to be brought to the attention of the Shareholders and there is no information that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

Ms. HE Xiaoli, aged 38, was appointed as an executive Director of the Company in February, 2002. She is also the General Manager of the Finance Department of the Company. Ms. He holds a Bachelor's degree in Accounting from the North China University of Technology and a Master's degree in Business Administration from the University of South Australia, and is also a PRC senior accountant and a member of the Chinese Institute of Certified Public Accountants. Prior to joining the Company, she was the Head of Business Division and the Deputy Minister of Accounting Information Division of the Finance Department of previous China National Nonferrous Metals Industry Corporation. Ms. He has extensive experience in financial management of PRC enterprises.

Ms. He did not hold directorships in any other listed public companies in the last three years. She is not connected with any Directors, senior management or substantial or controlling shareholders of the Company. On 15th March, 2004, Ms. He was granted an option by the Company to subscribe for 1,500,000 Shares with the exercise period from 16th March, 2004 to 15th March, 2007 under the share option scheme adopted by the Company. In addition, she has a personal interest in 20,000 Shares. Save as disclosed above, Ms. He does not have any other interests in the Shares within the meaning of Part XV of the SFO. There is no service contract between the Company and Ms. He and Ms. He is subject to retirement by rotation and re-election pursuant to the Bye-laws. The amount of emoluments received from the Company by Ms. He for the year ended 31st December, 2005 was HK\$1,055,000. The emoluments of Directors are determined by reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the market prevailing conditions.

During the period when Ms. He was a director of each of Condo Curtain Wall Company Limited ("**CCW**"), Condo Engineering (China) Limited ("**CEC**") and Polycrown Engineering (Holdings) Limited ("**PEHL**"), winding-up orders were made by the High Court of Hong Kong against CCW and CEC on 8th September, 2003 as certain conditions precedent to the debt restructuring proposal of each of CCW and CEC (collectively, "**Proposals**") remained unfulfilled as at the respective long stop date of each of the Proposals, and against PEHL on 11th August, 2004 as PEHL failed to repay a sum of approximately HK\$2,151,000 under a statutory demand. The amounts involved in the liquidation (being the aggregate amount of claims received by each of the respective liquidators) of each of CCW, CEC and PEHL were approximately HK\$83,400,000, HK\$141,800,000 and HK\$2,200,000 respectively. Both of CCW and CEC were companies incorporated in Hong Kong with limited liability and principally engaged in the design

LETTER FROM THE BOARD

and installation of curtain walls and aluminium window cases before liquidation. PEHL was a company incorporated in the British Virgin Islands with limited liability and its principal business was investment holding. Liquidators have been appointed to each of CCW, CEC and PEHL and the proceedings of the liquidation of each of those companies are on-going. Save as disclosed above, there are no other matters in relation to the re-election of Ms. He, which need to be brought to the attention of the Shareholders and there is no information that is required to be disclosed pursuant to Rules 13.51(2)(h) to (k) and Rules 13.51(2)(m) to (v) of the Listing Rules.

Mr. Selwyn MAR, aged 70, was appointed as an independent non-executive Director of the Company in November, 2002. Mr. Mar graduated from the London School of Economics, University of London. He is a chartered accountant, the Managing Partner of Nexia Charles Mar Fan & Co., Certified Public Accountants and the Managing Director of Marfan & Associates Limited. Mr. Mar was the President of the Hong Kong Institute of Certified Public Accountants in 1991, a member of the Appeals Panel of Securities & Futures Commission and a member of the Board of Governors of Chinese International School. Mr. Mar was active in commercial and industrial undertakings in Hong Kong and PRC in the past 28 years. Mr. Mar is an Honorary Fellow of the Lingnan University.

Mr. Mar was a director of Forefront International Holdings Limited during the period from 20th July, 2004 to 16th September, 2004. He is also an independent non-executive director of China Everbright International Limited and Man Yue International Holdings Limited. All of the aforesaid companies are listed on the Stock Exchange. Save as disclosed above, Mr. Mar did not hold any directorships in other listed public companies in the last three years. Mr. Mar is not connected with any Directors, senior management or substantial or controlling shareholders of the Company and he does not have any interests in the Shares within the meaning of Part XV of the SFO. The service contract between the Company and Mr. Mar was entered into on 7th April, 2005 for a period ending on 28th May, 2006 (inclusive) and Mr. Mar is subject to retirement by rotation and re-election pursuant to the Bye-laws. The fee for acting as an independent non-executive Director and the fee for acting as a member of the Audit Committee received by Mr. Mar are HK\$220,000 per annum and HK\$80,000 per annum respectively and are the same as those received by the other independent non-executive Directors and the other members of the Audit Committee except that Mr. Mar receives an additional allowance of HK\$10,000 per annum for acting as the chairman of the Audit Committee. Save as disclosed above, there are no other matters in relation to the re-election of Mr. Mar, which need to be brought to the attention of the Shareholders and there is no information that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

Ms. TAM Wai Chu, Maria, aged 60, was appointed as an independent non-executive Director of the Company in April, 1997. Ms. Tam holds a Bachelor's degree in Law from the University of London. She has been a practising barrister since 1972. Ms. Tam is currently involved in numerous community services, which include the Deputy of the National Peoples' Congress of the PRC, a member of the Basic Law Committee of the Hong Kong Special Administrative Region, a member of the Bar Association, a board member of the Urban Renewal Authority, a member of the Advisory Committee on Corruption of the Independent Commission Against Corruption and a member of the Commission on Strategic Development.

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Ms. Tam is also a non-executive director of eight other companies listed on the Stock Exchange, namely Wing On Company International Limited, eSun Holdings Limited, Guangnan (Holdings) Limited, Sa Sa International Holdings Limited, Sinopec Kantons Holdings Limited, Titan Petrochemicals Group Limited, Tong Ren Tang Technologies Company Limited and Nine Dragons Paper (Holdings) Limited. Save as disclosed above, Ms. Tam did not hold any directorships in other listed public companies in the last three years. Ms. Tam is not connected with any Directors, senior management or substantial or controlling shareholders of the Company and she does not have any interests in the Shares within the meaning of Part XV of the SFO. The service contract between the Company and Ms. Tam was entered into on 7th April, 2005 for a period ending on 26th May, 2007 (inclusive) and Ms. Tam is subject to retirement by rotation and re-election pursuant to the Bye-laws. The fee for acting as an independent non-executive Director and the fee for acting as a member of the Audit Committee received by Ms. Tam are HK\$220,000 per annum and HK\$80,000 per annum respectively and are the same as those received by the other independent non-executive Directors and the other members of the Audit Committee except that the independent non-executive Directors who acts as the chairman of the Audit Committee receives an additional allowance. Save as disclosed above, there are no other matters in relation to the re-election of Ms. Tam, which need to be brought to the attention of the Shareholders and there is no information that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

ANNUAL GENERAL MEETING

A notice convening the AGM to be held on Friday, 26th May, 2006 is set out on pages 12 to 15 of this circular. A form of proxy for use at the AGM is enclosed. You are requested to complete the form of proxy and return it to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, in accordance with the instructions printed thereon not less than 48 hours before the time fixed for holding the AGM or any adjournment thereof, whether or not you intend to be present at the AGM. Completion and return of the form of proxy will not prevent you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

RIGHT TO DEMAND A POLL

Pursuant to bye-law 78 of the Bye-laws, a resolution put to the vote at any general meeting of the Company shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:

- (i) by the chairman of the meeting; or
- (ii) by at least three 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

LETTER FROM THE BOARD

- (iii) by any 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 representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (iv) by 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 the shares conferring that right.

RECOMMENDATION

The Directors believe that the granting of the Issuance Mandate and the Repurchase Mandate and the re-election of retiring Directors are in the best interests of the Company and the Shareholders. Accordingly the Directors recommend you to vote in favour of all the ordinary resolutions to be proposed at the AGM.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors jointly and severally accept responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable inquiries and that, to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

Yours faithfully,
For and on behalf of the Board
Wang Xingdong
Managing Director

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

1. STOCK EXCHANGE RULES FOR REPURCHASES OF SECURITIES

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their securities on the Stock Exchange subject to certain restrictions, the most important of which is summarised below.

The Listing Rules provide that all proposed repurchases of securities on the Stock Exchange by a company with its primary listing on the Stock Exchange must be approved in advance by Shareholders by an ordinary resolution, either by way of a general mandate, or by a special approval in relation to specific transactions.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 772,181,783 Shares. Subject to the passing of the General Mandate Resolutions, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 77,218,178 fully-paid Shares on the basis that no further Shares will be issued or repurchased prior to the date of the AGM.

3. REASONS FOR REPURCHASES

The Directors believe that the Repurchase Mandate is in the interests of the Company and the Shareholders.

The Directors have no present intention to repurchase any Shares but consider that the Repurchase Mandate will provide the Company the flexibility to do so when appropriate. Such repurchases may enhance the net value of the Company and/or earning per Share.

4. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association and Bye-laws and the Companies Act 1981 of Bermuda (as amended) ("**Companies Act**").

The Companies Act provides that the amount of capital repaid in connection with a share repurchase may only be paid out of either the capital paid up on the repurchased shares, or the profits that would otherwise be available for distribution by way of dividend or the proceeds of a new issue of shares made for such purpose. The amount of premium payable on redemption may only be paid out of either the profits that would otherwise be available for distribution by way of dividend or out of the share premium or contributed surplus accounts of the Company. Under the Companies Act, the shares so repurchased will be treated as cancelled but the aggregate amount of authorised share capital will not be reduced so that the shares may be subsequently re-issued.

The Directors intend to apply the capital paid up on the relevant Shares or the profits that would otherwise be available for distribution by way of dividend for any repurchases of its Shares.

As compared with the financial position of the Company as at 31st December, 2005 (being the date of its latest audited financial statements), the Directors consider that there might be a material adverse impact on the working capital and on the gearing position of the Company in the event that the proposed repurchases were to be carried out in full during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in circumstances, have a material adverse impact on the working capital or gearing ratio of the Company.

5. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

None of the Directors nor, to the best of their knowledge and belief having made all reasonable enquires, any of their associates, has any present intention, in the event that the Repurchase Mandate is approved by the Shareholders, to sell Shares to any company of the Group.

No connected person of the Company has notified the Company that he/she has a present intention to sell Shares to the Company nor has he/she undertaken not to sell any of the Shares held by him/her to the Company, in the event that the Company is authorised to make repurchases of Shares.

6. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases pursuant to the proposed resolution in accordance with the Listing Rules and all applicable laws of Bermuda, and in accordance with the regulations set out in the memorandum of association of the Company and the Bye-laws.

7. EFFECT OF TAKEOVERS CODE

A repurchase of Shares by the Company may result in an increase in the proportionate interests of a substantial shareholder of the Company in the voting rights of the Company, such increase will be treated as an acquisition for the purpose of the Takeovers Code.

As a result, a Shareholder, or group of Shareholders acting in concert, depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company and could give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, June Glory had an attributable interest of approximately 53.95% of the issued share capital of the Company. In the event that the Directors should exercise in full the power to repurchase Shares pursuant to the Repurchase Mandate, the shareholdings of June Glory in the Company would be increased to approximately 59.94% of the issued share capital of the Company and such increase will

APPENDIX EXPLANATORY STATEMENT OF THE REPURCHASE MANDATE

not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. Save as disclosed aforesaid, the Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any repurchases to be made under the Repurchase Mandate.

8. GENERAL

There have been no repurchases of any Shares by the Company (whether on the Stock Exchange or otherwise) made in the 6 months preceding the date of this circular.

During each of the previous 12 months, the highest and lowest traded prices for Shares on the Stock Exchange were as follows:

Month	Per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2005		
April	0.640	0.475
May	0.600	0.470
June	0.590	0.490
July	0.530	0.445
August	0.530	0.440
September	0.470	0.430
October	0.470	0.310
November	0.430	0.345
December	0.440	0.340
2006		
January	0.520	0.380
February	0.570	0.455
March	0.640	0.490

NOTICE OF AGM



ONFEM HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code : 230)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Shareholders of ONFEM Holdings Limited (“**Company**”) will be held at The Board Room, 7th Floor, The Dynasty Club, South West Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong on Friday, 26th May, 2006 at 10:30 a.m. (“**Meeting**”) for the following purposes:

1. To receive and consider the Audited Financial Statements and the Reports of the Directors and Auditors for the year ended 31st December, 2005.
2. To re-elect Mr. Qian Wenchao, Ms. He Xiaoli, Mr. Selwyn Mar and Ms. Tam Wai Chu, Maria as directors of the Company and to authorise the board of directors of the Company (“**Directors**”) to fix the remuneration of directors.
3. To fix a maximum number of directors at 12 and to authorise the Directors to appoint additional directors up to such maximum number.
4. To re-appoint Messrs. PricewaterhouseCoopers as the auditors for the ensuing year and to authorise the Directors to fix their remuneration.
5. As special business, to consider and, if thought fit, pass with or without modifications the following resolution as an Ordinary Resolution of the Company:

“THAT

- (a) subject to paragraph 5(c) below, the exercise by the Directors during the Relevant Period (as defined in paragraph 5(d) below) 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 which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph 5(a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
- (c) 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 pursuant to the approval in paragraphs 5(a) and 5(b) above, otherwise than pursuant to (i) a Rights Issue (as defined in paragraph 5(d)

NOTICE OF AGM

below) 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 of the Company or (iii) an issue of shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company or (iv) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company, shall not exceed the aggregate of (aa) 20 per cent. of the total nominal amount of the share capital of the Company in issue on the date of passing this Resolution plus (bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company (“Shareholders”)) the aggregate nominal amount of the share capital of the Company repurchased by the Company subsequent to the passing of such resolution (up to a maximum amount equivalent to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of passing this Resolution) and the said approval to the Directors in paragraphs 5(a) and 5(b) above 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 expiration of the period within which the next Annual General Meeting of the Company is required by law to be held; or
- (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the Shareholders in general meeting; and

“Rights Issue” means an offer of shares or other securities open for a period fixed by the Directors to the Shareholders on the register on a fixed record date in proportion to their shareholdings as at that date (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 recognised regulatory body or any stock exchange).”

6. As special business, to consider and, if thought fit, pass with or without modifications the following resolution as an Ordinary Resolution of the Company:

“THAT

- (a) subject to paragraph 6(c) below, the exercise by the Directors during the Relevant Period (as defined in paragraph 6(d) below) of all the powers of the

NOTICE OF AGM

Company to repurchase its own shares (including redeemable shares) on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) or any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission in Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or the listing rules of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

- (b) the approval in paragraph 6(a) above shall authorise the Directors during the Relevant Period to procure the Company to repurchase its own shares at a price determined by the Directors;
- (c) the aggregate nominal amount of share capital repurchased by the Company pursuant to paragraph 6(a) above shall not exceed 10 per cent. of the total nominal amount of the share capital of the Company in issue on the date of passing this Resolution and the said approval to the Directors in paragraphs 6 (a) and 6(b) above shall be limited accordingly;
- (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 expiration of the period within which the next Annual General Meeting of the Company is required by law to be held; or
- (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the Shareholders in general meeting.”

7. As special business, to consider and, if thought fit, pass with or without modifications the following resolution as an Ordinary Resolution of the Company:

“**THAT** conditional upon Resolution No. 6 above being passed, the aggregate nominal amount of the number of shares in the capital of the Company which are repurchased by the Company under the authority granted to the Directors as mentioned in Resolution No. 6 above shall be added to the aggregate nominal amount of share capital that may be allotted by the Directors pursuant to Resolution No. 5 above, provided that the amount of share capital repurchased by the Company shall not exceed 10 per cent. of the total nominal amount of the share capital of the Company in issue on the date of passing this Resolution.”

NOTICE OF AGM

8. To transact any other business.

By order of the Board
Wang Xingdong
Managing Director

Hong Kong, 27th April, 2006

Notes:

1. A member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote on his/her behalf. A proxy need not be a member of the Company.
2. To be valid, a form of proxy 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 at the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or adjourned Meeting.
3. The Register of Members will be closed from Friday, 19th May, 2006 to Friday, 26th May, 2006, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for attending the Meeting convened by the above, all share certificates with completed transfer forms either overleaf or separately, must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:00 p.m. on Thursday, 18th May, 2006.