
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in G-Prop (Holdings) Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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G-PROP (HOLDINGS) LIMITED

金匡企業有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 286)

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

A notice convening the annual general meeting of G-Prop (Holdings) Limited to be held at JW Marriott Ballroom, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Tuesday, 15th May, 2007 at 10:00 a.m. is set out on pages 12 to 15 of this circular.

Whether or not you are able to attend the meeting, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar, Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong, as soon as practicable and in any event not later than 48 hours before the time appointed for holding the meeting. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the meeting should you so wish.

19th April, 2007

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Should there be any discrepancy between English and Chinese Versions, the English version shall prevail.

DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at JW Marriot Ballroom, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Tuesday, 15th May, 2007 at 10:00 a.m. or at any adjournment thereof, notice of which is set out on pages 12 to 15 of this circular
“Board”	the board of Directors
“Chinese Estates”	Chinese Estates Holdings Limited, a company incorporated in Bermuda with limited liability, and the shares of which are listed on the main board of the Stock Exchange
“Bye-laws”	the bye-laws of the Company
“Company”	G-Prop (Holdings) Limited, a company incorporated in Bermuda with limited liability, and the shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Latest Practicable Date”	16th April, 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Issue Mandate”	a general and unconditional mandate to be granted to the Directors to allot, issue, and otherwise deal with new Shares and other securities with an aggregate nominal amount not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the relevant resolutions
“Repurchase Mandate”	a general and unconditional mandate to the Directors to exercise the power of the Company to repurchase shares in the capital of the Company up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the relevant resolutions

DEFINITIONS

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent

LETTER FROM THE BOARD



G-PROP (HOLDINGS) LIMITED

金匡企業有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 286)

Executive Directors:

Lau, Ming-wai (*Chairman*)
Leung, Wing-pong (*Chief Executive Officer*)
Kong, Chi-ming (*Deputy Chairman*)

Independent Non-executive Directors:

Leung, Yun-fai
Lam, Yat-fai
David Chain, Chi-woo

Registered Office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Principal Office in Hong Kong:

26th Floor
MassMutual Tower
38 Gloucester Road
Wanchai
Hong Kong

19th April, 2007

To the Shareholders

Dear Sir or Madam,

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

1. INTRODUCTION

The purpose of this circular is to give you notice of the AGM and information regarding the following resolutions to be proposed at the AGM relating to:

- (a) grant of the New Issue Mandate to issue Shares;
- (b) grant of the Repurchase Mandate for repurchase by the Company of its own Shares;
- (c) grant of general extension mandate to extend the New Issue Mandate to include Shares repurchased under the Repurchase Mandate;

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- (d) re-election of Directors; and
- (e) re-appointment of auditors.

Shareholders are referred to the notice of the AGM, set out on pages 12 to 15, for details of the above resolutions.

2. GENERAL MANDATE TO ISSUE SECURITIES

An ordinary resolution will be proposed at the AGM to grant a general mandate to the Directors to issue Shares not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of the relevant resolution. With reference to this resolution, the Board wishes to state that it has no immediate plans to issue any new Shares pursuant to the New Issue Mandate.

3. GENERAL MANDATE TO REPURCHASE SHARES

An ordinary resolution will be proposed at the AGM to grant to the Directors a general mandate to repurchase Shares, the aggregate nominal amount of which does not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of the relevant resolution. With reference to this resolution, the Board wishes to state that it has no immediate plans to repurchase any Shares pursuant to the Repurchase Mandate.

An explanatory statement, as required by the Listing Rules to be sent to Shareholders in connection with the Repurchase Mandate, is set out in Appendix to this circular. This contains all the information reasonably necessary to enable Shareholders to make an informed decision on whether or not to vote for or against the ordinary resolution to grant the Repurchase Mandate at the AGM.

4. GENERAL EXTENSION MANDATE

If the Repurchase Mandate and the New Issue Mandate to issue securities are granted, an ordinary resolution will be proposed at the AGM that the Directors be granted an extension of the New Issue Mandate, which provides that any Shares repurchased under the Repurchase Mandate will be added to the total number of Shares which may be allotted and issued under the New Issue Mandate.

5. RE-ELECTION OF THE DIRECTORS

Pursuant to Bye-laws 86(2) of the Bye-laws, Mr. Lau, Ming-wai, will retire and, being eligible, offer himself for re-election as Director at the AGM. Under requirement of 87(1) & 87(2) of the Bye-laws of the Company, Mr. Lam, Yat-fai and Mr. Leung, Wing-pong will retire from office by rotation for re-election as Directors at the AGM. The particulars of the Directors proposed to be re-elected at the AGM are set out as follows:

(a) Mr. LAU, Ming-wai

Mr. LAU, Ming-wai, aged 26, has been the Chairman and Executive Director of the Company since March 2007. Mr. Lau holds both a Bachelor Degree and a Doctoral Degree in Laws from King's College London as well as a Master Degree in

LETTER FROM THE BOARD

Laws from The London School of Economics and Political Science. He previously worked at The Goldman Sachs Group, Inc., Longview Partners, LP. and was the Investor Relations Manager of the Chinese Estates. Now, Mr. Lau is an Executive Director of the Chinese Estates and also is a registered attorney in the State of New York and a CFA (Chartered Financial Analyst) Charterholder. Save as disclosed above, Mr. Lau did not hold any other directorship in any listed companies in the last three years.

There is no service contract entered into between the Company and Mr. Lau. He is not appointed for any specified length or proposed length of service with the Company but is subject to retirement by rotation and re-election pursuant to the Bye-laws of the Company. Mr. Lau is not entitled to any other emoluments for holding office as the Chairman and Executive Director except for his entitlement of annual remuneration of HK\$10,000 which is determined by the Board subject to the prevailing market condition.

At the Latest Practical Date, Mr. Lau does not hold any position with the Company or its subsidiaries except the above foresaid. He is the son of Mr. Joseph Lau, Luen-hung who is an executive director of Golden Royce Investment Limited, Top Grade Assets Limited and Upgarde Properties Limited, jointly controlled entities of the Company. Apart from this, he is not connected with any directors, senior management or substantial or controlling shareholders of the Company as at the Latest Practical Date.

As at the Latest Practical Date, Mr. Lau is an eligible beneficiary of a discretionary trust which is interested in 224,831,709 shares of Chinese Estates, the ultimate holding company of the Company. He is also an eligible beneficiary of another discretionary trust which is interested in 838,947,030 shares of Chinese Estates. Mr. Lau, by virtue of his controlling interest in the Company as disclosed above, was deemed to be interested in 397,858,761 shares of the Company. Besides, he does not have any other interests in shares of the Company and its associated corporations within the meaning of Part XV of the SFO.

In relation to the re-election of Mr. Lau as the Chairman and Executive Director, there is no information to be disclosed pursuant to any requirements of the rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders.

(b) Mr. LAM, Yat-fai

Mr. LAM, Yat-fai, aged 41, has been an Independent Non-executive Director of the Company since December 2003. Mr. Lam is also the chairman and the member of Audit Committee and Remuneration Committee of the Company respectively. He is a Certified Public Accountant (Practising). Mr. Lam is a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. He worked with Kwan Wong Tan & Fong and Deloitte Touche Tohmatsu for over 10 years. Mr. Lam has over 17 years' experience in auditing, taxation, corporate finance and accounting. He is also the independent non-executive director of Oriental Press Group Limited, Yunnan Enterprises Holdings Limited and New Smart Energy Group, all of which are public companies listed on the Main Board of the Stock Exchange.

LETTER FROM THE BOARD

Save as disclosed above, Mr. Lam does not hold any positions in the Company or any of its subsidiaries and has not hold directorships in other listed company in the last three years preceding. He is not connected with any directors, senior management or substantial and controlling shareholders of the Company. As at the Latest Practicable Date, he does not have any interests in the shares of the Company within the meaning of Part XV of the SFO.

There is no service contract entered into between the Company and Mr. Lam. He is not appointed for any specified length or proposed length of service with the Company but is subject to retirement by rotation and re-election pursuant to the Bye-laws of the Company. Mr. Lam is not entitled to any emoluments for holding office as Independent Non-executive Director except for his entitlement of an annual remuneration of HK\$60,000 for the year ended 31st December, 2006. After obtaining authorisation from Shareholders at the AGM, the Board may fix Mr. Lam's emoluments for the period from the conclusion of the AGM to the conclusion of the next annual general meeting, which will be determined with reference to the prevailing market condition.

Save as disclosed above, there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there is no other matters that need to be brought to the attention of the Shareholders.

(c) Mr. LEUNG, Wing-pong

Mr. LEUNG, Wing-pong, aged 45, has been an Executive Director of the Company since October 2002 and was appointed as Chief Executive Officer of the Company in July 2005. Mr. Leung has over 19 years' experience in the area of internal audit. Mr. Leung is a member of the Hong Kong Securities Institute, he is also a Responsible Officer of a securities and futures firm in Hong Kong.

Mr. Leung is also a director of certain subsidiaries of the Company. He is not connected with any directors, senior management or substantial and controlling shareholders of the Company. As at the Latest Practicable Date, he does not have any interests in the shares of the Company within the meaning of Part XV of the SFO. Mr. Leung did not hold directorships in other listed companies in the last three years preceding the Latest Practicable Date.

There is no service contract entered between the Company and Mr. Leung. He is not appointed for any specified length or proposed length of service with the Company but is subject to retirement by rotation and re-election pursuant to the Bye-laws. Mr. Leung is not entitled to any emoluments for holding office as the Chief Executive Officer and Director except for his entitlement of an annual remuneration of HK\$10,000 for the year ended 31st December, 2006. After obtaining authorisation from Shareholders at the AGM, the Board may fix Mr. Leung's emoluments for the period from the conclusion of the AGM to the conclusion of the next annual general meeting, which will be determined with reference to the prevailing market condition.

LETTER FROM THE BOARD

Save as disclosed above, there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there is no other matters that need to be brought to the attention of the Shareholders.”

6. RE-APPOINTMENT OF AUDITORS

Messrs. HLB Hodgson Impey Cheng (the “HLB”) were appointed on 2nd January, 2007 as the auditors of the Company to fill the casual vacancy occasioned by resignation of Messers. Deloitte Touche Tohmatsu on 15th November, 2006 and to hold office until the AGM.

It is proposed that HLB shall be re-appointed as the Company’s auditors for financial year ending 31st December, 2007 at a fee to be agreed with the Board.

7. ANNUAL GENERAL MEETING

The notice of the AGM is set out on pages 12 to 15 of this circular. At the AGM, in addition to the ordinary business of the meeting, resolutions will be proposed to approve grant of the New Issue Mandate to issue Shares, grant of the Repurchase Mandate for repurchase by the Company of its own Shares and grant of general extension mandate to extend the New Issue Mandate to include Shares repurchased under the Repurchase Mandate.

A form of proxy for use at the AGM is enclosed herewith. Whether or not you are able to attend the meeting, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the branch share registrar of the Company, Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Hong Kong, as soon as possible and in any event by no later than 48 hours before the time appointed for holding the meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM should you so wish.

Pursuant to Bye-law 66 of the Bye-laws of the Company, every resolution submitted to a general meeting shall be determined on a show of hands in the first instance by the Shareholders present in person, but a poll may be demanded (before or upon the declaration of the result of the show of hands) by:

- (a) the chairman of the meeting; or
- (b) at least three Shareholders present in person or by proxy for the time being entitled to vote at the meeting; or
- (c) a Shareholder or Shareholders present in person or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or

LETTER FROM THE BOARD

- (d) a Shareholder or Shareholders present in person 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.

8. RECOMMENDATION

The Board is pleased to recommend Mr. Lau, Ming-wai, Mr. Lam, Yat-fai and Mr. Leung, Wing-pong to stand for re-election by Shareholders as Directors. The Board also believes that the Repurchase Mandate, the New Issue Mandate and the extension of the New Issue Mandate are in the best interests of the Company as well as its Shareholders. Accordingly, the Board recommends all Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM.

9. RESPONSIBILITY STATEMENT

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

As at the date hereof, the Board comprises Mr. Lau, Ming-wai, Mr. Leung, Wing-pong and Mr. Kong, Chi-ming as Executive Directors and Mr. Leung, Yun-fai, Mr. Lam, Yat-fai and Dr. David, Chi-woo as Independent Non-executive Directors.

Yours faithfully,
On behalf of the Board
Lam, Kwong-wai
Company Secretary

This is an explanatory statement required to be sent to Shareholders under the Listing Rules in connection with the proposed Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company was 794,057,800 Shares of HK\$0.01 each. Subject to the passing of the ordinary resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 79,405,780 Shares, being 10% of the entire issued share capital of the Company.

2. REASONS FOR REPURCHASES

The Directors believe that the Repurchase Mandate is in the best interests of the Company and its Shareholders. Whilst it is not possible to anticipate in advance any specific circumstances in which the Directors might think it appropriate to repurchase Shares, they believe that an ability to do so would give the Company additional flexibility that would be beneficial to the Company and its Shareholders as such repurchases may, depending on market conditions and funding arrangements at that time, lead to an enhancement of the net asset value per Share and/or earnings per Share. Shareholders can be assured that the Directors would only make such purchases in circumstances where they consider them to be in the best interests of the Company.

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 and Bye-laws and the laws of Bermuda. Should the Directors consider it desirable, they would be able to finance the purchase out of funds from internal resources and/or from external borrowing.

The laws of Bermuda provide 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 relevant shares, or the funds of the company that would otherwise be available for distribution by way of dividend or distribution or the proceeds of a fresh issue of shares made for the purpose. The amount of premium payable on repurchase may only be paid out of either the funds of the company that would otherwise be available for distribution by way of dividend or distribution or out of the share premium account of the company.

In addition, under the laws of Bermuda, no purchase by a company of its own shares may be effected if, on the date on which the purchase is to be effected, there are reasonable grounds for believing that the company is, or after the purchase would be, unable to pay its liabilities as they become due. In accordance with the laws of Bermuda, the shares so repurchased would be treated as cancelled but the aggregate amount of authorised share capital would not be reduced.

On the basis of the consolidated financial position of the Company as at 31st December, 2006 (being the date to which the latest published audited financial statements of the Company have been made up) and in particular the working capital position of the Company at that time and the number of Shares now in issue, the Directors consider that there might be a material adverse impact on the working capital position or the gearing position of the Company in the event that purchases of all the Shares the subject of the Repurchase Mandate were to be carried out in full during the Repurchase Mandate period. No purchase would be made in circumstances that would have a material adverse impact on the working capital position or the gearing position of the Company (as compared with the position disclosed in the latest published audited financial statements).

4. SHARES PRICES

The highest and lowest prices at which the Shares traded on the Stock Exchange during each of the previous twelve months before the printing of this circular are as follows:

	Price per Share	
	Highest HK\$	Lowest HK\$
2006		
April	0.2310	0.1820
May	0.2170	0.1750
June	0.1850	0.1500
July	0.1790	0.1610
August	0.1750	0.1400
September	0.1650	0.1440
October	0.1570	0.1350
November	0.1760	0.1400
December	0.1730	0.1470
2007		
January	0.1850	0.1490
February	0.3700	0.2100
March	3.6800	0.2900
April (up to Latest Practicable Date)	2.7800	1.5000

5. UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate and in accordance with the Listing Rules, the memorandum of association and the Bye-laws and the laws of Bermuda.

None of the Directors nor, to the best of their knowledge and belief having made all reasonable enquiries, their associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company in the event that the Repurchase Mandate is approved by the Shareholders.

No connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company or its subsidiaries, nor have undertaken not to do so, in the event that the Repurchase Mandate is granted by the Shareholders.

6. TAKEOVERS CODE

If a Shareholder's proportionate interest in the voting capital of the Company increases as a result of a share repurchase, such increase will be treated as an acquisition for the purposes of the Takeovers Code and, if such increase results in a change of control, may in certain circumstances give rise to an obligation to make a general offer for shares under Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best knowledge and belief of the Company, certain indirect wholly-owned subsidiaries of the Chinese Estates held approximately 50.10% in aggregate of the issued share capital of the Company. In the event that the Repurchase Mandate is exercised in full, the shareholding in the Company held by those indirect wholly-owned subsidiaries of the Chinese Estates would be increased to approximately 55.67% of the issued share capital of the Company. The Directors believe that such an increase would not give rise to an obligation to make a mandatory offer under the Takeovers Code.

Assuming that there is no further issue of shares in the Company between the Latest Practicable Date and the date of repurchase, the exercise of Repurchase Mandate whether in whole or in part will not result in less than 25% of the issued share capital of the Company being held by the public as required by Rule 8.08 of the Listing Rules. The Directors have no intention to exercise the Repurchase Mandate to an extent as may result in a public shareholding of less than such prescribed percentage.

7. SHARE REPURCHASES MADE BY THE COMPANY

The Company had not repurchased any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

NOTICE OF ANNUAL GENERAL MEETING



G-PROP (HOLDINGS) LIMITED

金匡企業有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 286)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of G-Prop (Holdings) Limited (the “Company”) will be held at JW Marriot Ballroom, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Tuesday, 15th May, 2007 at 10:00 a.m. for the following purposes:

As Ordinary Business

1. To receive and consider the Financial Statements, Directors’ Report and Auditors’ Report for the year ended 31st December, 2006.
2. To approve the final dividend for the year ended 31st December, 2006.
3. To re-elect Directors and to authorise the board of Directors to fix the remuneration of the Directors.
4. To re-appoint Auditors and to authorise board of the Directors to fix the remuneration of the Auditors.

As Special Business

5. To consider and, if thought fit, pass the following resolution (with or without modification) as an ordinary resolution of the Company:

“THAT:

- (a) subject to paragraph (c) below, the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to purchase shares of HK\$0.01 each in the capital of the Company subject to and in accordance with all applicable laws and requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall be in addition to any other authorisation given to the Directors of the Company and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to purchase its shares at a price determined by the Directors;

NOTICE OF ANNUAL GENERAL MEETING

(c) the aggregate nominal amount of the shares which are authorised to be purchased by the Directors of the Company pursuant to the approval in paragraph (a) shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution, and the said authority shall be limited accordingly; and

(d) for the purposes of this resolution:

“Relevant Period” means the period from 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 or the Company’s Bye-laws to be held; or

(iii) the date upon which the authority set out in this resolution is revoked or varied by way of ordinary resolution of the Company in general meeting.”

6. To consider and, if thought fit, pass the following resolution (with or without modification) as an ordinary resolution of the Company:

“THAT:

(a) subject to paragraph (c) below, the exercise by the Directors of the Company during the Relevant Period 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, options and rights of exchange or conversion which might require the exercise of such powers be and is hereby generally and unconditionally approved;

(b) the approval in paragraph (a) shall be in addition to any other authorisation given to the Directors of the Company and shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers 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 of the Company pursuant to the approval granted in paragraph (a), otherwise than pursuant to (i) a Rights Issue, or (ii) the share option scheme of the Company approved

NOTICE OF ANNUAL GENERAL MEETING

by The Stock Exchange of Hong Kong Limited, or (iii) 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 in accordance with the Bye-laws of the Company, shall not exceed 20 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution, and the said approval shall be limited accordingly; and

- (d) for the purposes of this resolution:

“Relevant Period” shall have the same meaning as those ascribed to it under resolution no. 5 as set out in the notice convening this meeting of which this resolution forms part; and

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company 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 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 any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange, in any territory outside Hong Kong).”

7. To consider and, if thought fit, pass the following resolution (with or without modification) as an ordinary resolution of the Company:

“**THAT** conditional upon the passing of the resolution nos. 5 and 6 as set out in the notice convening this meeting, the general mandate granted to the Directors of the Company pursuant to the resolution no. 6 as set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of share capital of the Company purchased by the Company under the authority granted pursuant to the resolution no. 5 as set out in the notice convening this meeting, provided that such amount shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution of the Company.”

8. To transact any other business.

By Order of the Board
Lam, Kwong-wai
Company Secretary

Hong Kong, 19th April, 2007

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. The register of members will be closed from 9th May, 2007 to 15th May, 2007, both days inclusive. For the purpose of ascertaining the members' entitlement to the attendance of the Meeting, all share transfers accompanied by the relevant share certificates must be lodged with the Company's registrar and transfer office, Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:00 p.m. on 8th May, 2007.
2. Any member entitled to attend and vote at the Meeting is entitled to appoint one or more separate proxies to attend and vote instead of him. A proxy need not be a member of the Company.
3. To be valid, a form of proxy in the prescribed form together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof) must be deposited at the Company's branch share registrar, Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong not less than 48 hours before the time fixed for holding the meeting (or at any adjournment thereof).
4. A circular containing the information with respect to certain resolutions and this notice will be sent to the Shareholders together with the 2006 annual report of the Company.
5. As at the date thereof, the Board comprises Mr. Lau, Ming-wai, Mr. Leung, Wing-pong and Mr. Kong, Chi-ming, as Executive Directors and Mr. Leung, Yun-fai, Mr. Lam, Yat-fai and Dr. David Chain, Chi-woo as Independent Non-executive Directors.