

If you are in any doubt as to any aspect of this circular 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 advisers.

If you have sold or transferred all your shares in Hopson Development Holdings Limited (the “Company” and together with its subsidiaries, the “Group”), you should at once hand this circular and the accompanying form of proxy to the purchaser or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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



合 生 創 展 集 團 有 限 公 司*

HOPSON DEVELOPMENT HOLDINGS LIMITED

(Stock Code: 00754)

(Incorporated in Bermuda with limited liability)

website: <http://www.irasia.com/listco/hk/hopson>

**PROPOSALS FOR
RE-ELECTION OF RETIRING DIRECTORS
GENERAL MANDATE FOR THE REPURCHASE
BY THE COMPANY OF ITS OWN SHARES
AND
AMENDMENTS TO SHARE OPTION SCHEME RULES**

A notice convening an annual general meeting (the “AGM” or the “Meeting”) of the shareholders (the “Shareholders”) of the Company to be held at Gloucester Room, 2nd Floor, Mandarin Oriental Hotel, 5 Connaught Road, Central, Hong Kong on Friday, 15th June, 2007 at 10:00 a.m. is set out on pages 10 to 15 of this circular. Whether or not you are able to attend the Meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the principal place of business of the Company at Suites 3305–09, 33/F., Jardine House, 1 Connaught Place, Central, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the Meeting (or any adjourned meeting thereof).

* for identification purpose only

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RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) for the purpose of giving information with regard to the Company. The directors (the “Directors”) of the Company 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 facts the omission of which would make any statement herein misleading.



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Executive Directors

CHU Mang Yee (Chairman):
XIANG Bin (Deputy Chairman)
WU Jiesi (Chief Executive Officer)
TAM Lai Ling (Chief Financial Officer)
AU Wai Kin
CHEN Chang Ying
XIAO Yan Xia

Non-executive Director:

SHAFRAN, Steven

Independent Non-executive Directors:

YUEN Pak Yiu, Philip
LEE Tsung Hei, David
WONG Shing Kay, Oliver

Principal Office:

Suites 3305–09
33/F., Jardine House
1 Connaught Place
Central
Hong Kong

Registered Office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

25th April, 2007

*To the Shareholders and
for information only, the optionholders*

Dear Sir or Madam,

**PROPOSALS FOR
RE-ELECTION OF RETIRING DIRECTORS
GENERAL MANDATE FOR THE REPURCHASE
BY THE COMPANY OF ITS OWN SHARES
AND
AMENDMENTS TO SHARE OPTION SCHEME RULES**

INTRODUCTION

The purpose of this circular is to provide you with information regarding the resolutions to be proposed at the AGM to, inter alia, re-elect the retiring Directors, renew the Repurchase Mandate (as defined below) and to approve the proposed amendment to the rules of the share option scheme of the Company (the “Scheme Rules”).

* for identification purpose only

RE-ELECTION OF RETIRING DIRECTORS

In accordance with Bye-law 87(1) of the bye-laws of the Company (the “Bye-laws”), Mr. Xiang Bin, Mr. Au Wai Kin, Mr. Chen Chang Ying and Ms. Xiao Yan Xia will retire by rotation at the AGM and, being eligible, have offered themselves for re-election.

The qualifications, previous experience and major appointments of all the Directors who stand for re-election at the AGM are set out in the “Directors’ Profile” section contained in the Company’s 2006 Annual Report which is sent to the Shareholders together with this circular. Other biographical details of each of the said Directors, as required to be disclosed pursuant to rule 13.51(2) of the Listing Rules, are set out below for the Shareholders’ consideration.

(a) Mr. Xiang Bin (aged 58)

Mr. Xiang joined the Company in 2001 and is currently an executive Director and the Deputy Chairman of the Board and director of various subsidiaries of the Company. Mr. Xiang did not hold any directorship in other listed companies in the last 3 years, and does not have any relationship with any other Directors, senior management or substantial or controlling Shareholders.

Mr. Xiang has a service contract with the Company for an initial term of 5 years (subject to the termination provisions of the service contract) commencing from 15th February, 2001 which will continue thereafter until terminated by not less than 3 months’ notice given by either party. Subject to the terms of Mr. Xiang’s service contract, after his re-election at the AGM, Mr. Xiang will continue to serve on the Board until he becomes due to retire by rotation again in accordance with the Bye-laws. Pursuant to Mr. Xiang’s service contract, he is entitled to, amongst other things, a salary of HK\$2,000,000 per annum, options in respect of 500,000 shares of HK\$0.10 each in the capital of the Company (the “Shares”) for each financial year in which the aggregate contracted sales of properties attributable to Hopson Properties (China) Limited (a wholly-owned subsidiary of the Company), its subsidiaries and associated companies (collectively, the “Hopson (China) Group”) exceed HK\$2,000,000,000, and a cash bonus in the amount of HK\$100,000 for each HK\$100,000,000 increase in the contracted sales of properties attributable to the Hopson (China) Group above HK\$2,000,000,000 for each financial year.

(b) Mr. Au Wai Kin (aged 51)

Mr. Au is currently an executive Director and director of various subsidiaries of the Company. He did not hold any directorship in other listed companies in the last 3 years, and does not have any relationship with any other Directors, senior management or substantial or controlling Shareholders. As at 19th April, 2007, being the latest practicable date for ascertaining certain information contained in this circular (the “Latest Practicable Date”), Mr. Au held 34,500,000 Shares through a company wholly-owned and controlled by him.

Mr. Au has a service contract with the Company for an initial term of 3 years (subject to the termination provisions of the service contract) commencing from 1st January, 1998 and will continue thereafter until terminated by notice given by either party. Subject to the terms of Mr. Au’s service contract, after his re-election at the AGM, Mr. Au will continue to serve on the Board until he becomes due to retire by rotation again in accordance with the Bye-laws. Pursuant to Mr.

LETTER FROM THE BOARD

Au's service contract, he is entitled to, amongst other things, a salary of HK\$20,000 per month and an annual discretionary bonus as determined by the Board, subject to the limit that the aggregate discretionary bonus payable to the executive Directors in respect of any financial year shall not exceed 3 per cent. of the audited consolidated profit of the Group after taxation but before extraordinary items and the executive Directors' discretionary bonus for the relevant financial year.

(c) Mr. Chen Chang Ying (aged 39)

Mr. Chen is currently an executive Director and director of various subsidiaries of the Company. He did not hold any directorship in other listed companies in the last 3 years, and does not have any relationship with any other Directors, senior management or substantial or controlling Shareholders.

Mr. Chen has a service contract with a Group company for a term of 8 years commencing from 26th February, 2003, provided that either party may by not less than 3 months' notice terminate the contract as from the 36th month after the commencement date. Subject to the terms of Mr. Chen's service contract, after his re-election at the AGM, Mr. Chen will continue to serve on the Board until he becomes due to retire by rotation again in accordance with the Bye-laws. Pursuant to Mr. Chen's service contract, he is entitled to, amongst other things, an annual salary of RMB500,000, an annual consultancy fee of HK\$500,000, and RMB800,000 cash bonus upon the Beijing office achieving a sales target of RMB1,000,000,000 and completing all other performance targets imposed by the Company from time to time.

(d) Ms. Xiao Yan Xia (aged 45)

Ms. Xiao is currently an executive Director and director of various subsidiaries of the Company. She did not hold any directorship in other listed companies in the last 3 years, and does not have any relationship with any other Directors, senior management or substantial or controlling Shareholders. As at the Latest Practicable Date, Ms. Xiao held 30,000 Shares in her personal capacity.

Ms. Xiao has a service contract with the Company for an initial term of 3 years (subject to the termination provisions of the service contract) commencing from 18th April, 2004 and will continue thereafter until terminated by notice given by either party. Subject to the terms of Ms. Xiao's service contract, after her re-election at the AGM, Ms. Xiao will continue to serve on the Board until she becomes due to retire by rotation again in accordance with the Bye-laws. Pursuant to Ms. Xiao's service contract, she is entitled to, amongst other things, a salary of HK\$20,000 per month and an annual discretionary bonus as determined by the Board, subject to the limit that the aggregate discretionary bonus payable to the executive Directors in respect of any financial year shall not exceed 3 per cent. of the audited consolidated profit of the Group after taxation but before extraordinary items and the executive Directors' discretionary bonus for the relevant financial year.

LETTER FROM THE BOARD

(e) General

- (i) The emoluments of all Directors were determined with reference to the Directors' duties and responsibilities, the Company's performance, as well as remuneration benchmark in the industry and prevailing market conditions.
- (ii) Save as disclosed above, the Directors who stand for re-election at the AGM are not entitled to receive other emoluments from the Group.
- (iii) As at the Latest Practicable Date, save as disclosed above, none of the Directors who stand for re-election at the AGM had any interests in the Shares within the meaning of Part XV of the Securities and Futures Ordinance.
- (iv) Save for the information set out in this section and in the Company's 2006 Annual Report, there is no other matter that needs to be brought to the attention of the Shareholders or other information that should be disclosed under rule 13.51(2) of the Listing Rules.

REPURCHASE MANDATE

At the last annual general meeting of the Company held on 15th June, 2006, a general mandate was given to the Directors to exercise the power of the Company to repurchase Shares (the "Repurchase Mandate"). Pursuant to the Listing Rules, the Repurchase Mandate will lapse at the conclusion of the AGM. It is therefore proposed to seek your approval of ordinary resolution No. 6.B. as set out in the notice of the AGM to renew the Repurchase Mandate. The explanatory statement required to be sent to Shareholders under the Listing Rules in connection with the proposed resolution for the approval of the renewal of the Repurchase Mandate is set out in Appendix I hereto.

AMENDMENT TO THE SCHEME RULES

Three principal amendments are proposed to be made to the existing Scheme Rules adopted by the Shareholders in general meeting on 4th November, 2002:

- (a) **Option Price.** The existing Scheme Rules provide that the price per Share payable on the exercise of an option (the "Option Price") as determined by the Board shall at least be the higher of (i) the nominal value of the Shares; (ii) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of offer, which shall be a Business Day; and (iii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business Days immediately preceding the date of offer. It is proposed to add an additional requirement that the Option Price shall not be less than the net asset value per Share as determined in accordance with the Hong Kong Financial Reporting Standards and with reference to the latest published audited accounts in the annual report or the latest published unaudited accounts in the interim report (whichever is more recent) of the Group on the date of offer.
- (b) **Vesting Scale.** Introduction of a vesting scale for all options granted on or after the date on which the amendments to the Scheme Rules are approved by the Shareholders at the AGM, with 20% vesting on the date of grant, and each anniversary date thereof up to and including

LETTER FROM THE BOARD

the fourth anniversary date. The Chairman of the Board may at his absolute discretion adjust the portion of any option to be vested in any tranche upwards or downwards by up to 20% of the relevant tranche based on the overall performance (not a specific performance target) of the option holder. If an option holder were to voluntarily resign other than for reasons of ill health, injury, disability, death, retirement or upon expiration of his term of directorship, all options (whether vested or unvested) shall lapse. In the event of a general offer, voluntary winding-up or reconstruction of the Company, any unvested options shall vest immediately.

- (c) **Claw-back of Profits.** Giving the Company the contractual right to demand return of all profits realized by any option holder from exercise of options in the event of the option holder ceasing to be an eligible person under the Scheme Rules by termination of his employment for fraud or serious misconduct or in accordance with the termination provisions of his contract of employment by his employing company.

The Directors are of the view that the amendments described in paragraph (a) and (b) above will facilitate retention of management and employees and at the same time provide them with additional incentive to increase the value of the Group. The amendment described in paragraph (c) protects the rights of the Company in the event of misfeasance of option holders.

All other proposed amendments are consequential or administrative in nature. Please refer to resolution 7 in the notice convening the AGM for the exact terms of the proposed amendments. Save as set out in such resolution, all other provisions of the Scheme Rules remain unchanged. The Scheme Rules as amended by the proposed amendments comply with Chapter 17 of the Listing Rules.

A copy of the Scheme Rules is available for inspection at the offices of Jones Day on 29th Floor, Edinburgh Tower, The Landmark, 15 Queen's Road Central, Hong Kong during normal business hours on any business day from the date of this circular up to and including the date of the AGM and at the AGM.

The remuneration committee of the Board has reviewed and agree with the proposed amendments to the Scheme Rules.

As at November 4, 2002, the date on which the Scheme Rules were adopted by the Company in general meeting, the issued share capital of the Company was 1,002,000,000 Shares, accordingly, the scheme mandate limit is 100,200,000 Shares. As at the Latest Practicable Date, options for 34,500,000 Shares have been granted under the Scheme Rules, 23,000,000 of which have been exercised and 11,500,000 of which remain unexercised. Options granted before the proposed amendments take effect are not affected by the proposed amendments. No refreshment of the scheme mandate limit is sought.

AGM AND POLL PROCEDURES

The notice convening the AGM is set out in Appendix II to this circular. At the AGM, amongst others, ordinary resolutions will be proposed to approve the re-election of the retiring Directors, the Repurchase Mandate and amendments to the Scheme Rules. Shareholders should note that the English text of the proposed resolutions contained in the AGM notice shall prevail over the Chinese text.

LETTER FROM THE BOARD

A form of proxy for use at the AGM is enclosed with this circular. Whether or not you intend to attend the AGM, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon to the Company's principal place of business at Suites 3305-09, 33/F., Jardine House, 1 Connaught Place, Central, Hong Kong as soon as possible and 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 preclude you from attending and voting at the AGM should you so wish.

Details of the poll procedures are set out in Appendix III to this circular.

RECOMMENDATION

The Directors consider that the proposals for the re-election of the retiring Directors, approval of the Repurchase Mandate and the proposed amendments to the Scheme Rules are all in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend you to vote in favour of the relevant resolutions in the terms as set out in the notice of the AGM.

Yours faithfully,
By order of the Board
CHU Mang Yee
Chairman

This explanatory statement includes information required under rule 10.06(1)(b) of the Listing Rules to be given to Shareholders in connection with the proposed resolution for the approval of the renewal of the Repurchase Mandate.

NUMBER OF SHARES WHICH MAY BE REPURCHASED

At the AGM to be held on 15th June, 2007, an ordinary resolution will be proposed for the renewal of the Repurchase Mandate. The Company's authority is restricted as regards purchases made on the Stock Exchange in accordance with the Listing Rules. The Listing Rules provide that the shares proposed to be repurchased by a company must be fully paid-up and all repurchases of shares by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of shareholders either by way of general mandate to the directors of the company to make such repurchases or by specific approval of a particular transaction. Under the Repurchase Mandate, the number of issued Shares that the Company is authorized to repurchase on the Stock Exchange may not exceed 10 per cent. of the issued share capital of the Company as at the date of passing the resolution granting the general mandate.

As at the Latest Practicable Date, there were in issue 1,286,600,000 Shares. Exercise in full of the Repurchase Mandate, if approved by the Shareholders at the AGM, on the basis that no further Shares are issued or repurchased prior to the date of the AGM, will enable the Company to repurchase up to 128,660,000 of its own Shares during the period ending on the earliest of the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required to be held by its Bye-laws or any applicable law or the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders at a general meeting of the Company.

REASONS FOR REPURCHASES

The Directors have no present intention to repurchase any Shares but consider that the Repurchase Mandate will provide the flexibility to make such repurchases when appropriate and beneficial to the Company and its Shareholders. Such repurchases may enhance the net asset value of the Company and its assets and/or its earnings per Share.

FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Memorandum of Association of the Company and the Bye-laws and the applicable laws of Bermuda. The Company is empowered under its Memorandum of Association to repurchase Shares and the same authority is given under section 42A of the Companies Act 1981 of Bermuda. The Bye-laws supplement the Company's Memorandum of Association by providing that this power is exercisable by the Directors upon such terms and subject to such conditions as they think fit. The Companies Act 1981 of Bermuda provides that the funds permitted to be utilized in connection with a share repurchase may only be paid out of either the capital paid up on the relevant repurchased shares, or the funds of the company that would otherwise be available for dividend or distribution, or the proceeds of a fresh issue of shares made for such purpose. The amount of premium payable on redemption may only be paid out of either the funds of the company that would otherwise be available for dividend or distribution, or out of the share premium account of the company.

There might be an adverse impact on the working capital and/or gearing position of the Company as compared with the position disclosed in its latest published audited accounts for the year ended 31st December, 2006 in the event that the Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period. However, the Directors would consider the Company's financial position at times in exercising the Repurchase Mandate and would not propose to exercise any repurchases to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels.

DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

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

No connected person (as defined in the Listing Rules) has notified the Company that he/she has a present intention to sell Shares to the Company nor has he/she undertaken not to do so in the event that the Company is authorized to make purchases of Shares.

UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases 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.

TAKEOVERS CODE CONSEQUENCES

If as the result of a repurchase of Shares a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Hong Kong Code on Takeovers and Mergers (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 become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. A waiver of this provision would not normally be given except in extraordinary circumstances. As at the Latest Practicable Date, Mr. Chu and his wholly-owned company, Sounda Properties Limited and its nominee company, HKSCC Nominees Limited; Mr. Au Wai Kin and his wholly-owned company, Yield Plentiful Incorporated; Ms. Xiao Yan Xia; and Mr. Steven Shafran held approximately 53.35%, 2.68%, 0.002% and 0.23% respectively of the issued share capital of the Company. The Directors are not aware of any Shareholder, or group of Shareholders acting in concert, who will become obliged to make a mandatory offer as a result of repurchases of Shares.

SHARE REPURCHASES MADE BY THE COMPANY

During the six months preceding the Latest Practicable Date no Shares have been repurchased by the Company.

MARKET PRICES

During each of the previous twelve months before the date of this circular, 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>
2006		
April	19.90	16.00
May	19.95	15.50
June	20.00	14.00
July	16.50	14.90
August	17.66	14.94
September	18.58	14.50
October	18.30	15.70
November	19.70	16.80
December	23.00	19.00
2007		
January	22.40	17.60
February	19.96	17.84
March	19.98	16.56



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NOTICE IS HEREBY GIVEN that the Annual General Meeting of the shareholders of Hopson Development Holdings Limited (the “Company”) will be held at Gloucester Room, 2nd Floor, Mandarin Oriental Hotel, 5 Connaught Road, Central, Hong Kong on Friday, 15th June, 2007 at 10:00 a.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors and auditors for the year ended 31st December, 2006.
2. To re-elect retiring directors and to authorize the board of directors to fix the remuneration of the executive directors and non-executive directors.
3. To consider and, if thought fit, pass with or without modifications, the following resolution as an ordinary resolution:

“**THAT** a remuneration of HK\$160,000 be paid to each of the independent non-executive directors of the Company for the year ending 31st December, 2007, provided that such remuneration will be paid in proportion to the period of service in the case of a director who has not served a complete year.”

4. To declare a final dividend for the year ended 31st December, 2006.
5. To re-appoint auditors and to authorize the board of directors to fix their remuneration.
6. As special business to consider and, if thought fit, pass with or without modifications, the following resolutions as ordinary resolutions:

6.A. “**THAT:**

- (a) subject to paragraph (c), 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 or securities convertible into such shares or warrants or similar rights to subscribe for any shares in the Company and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;

* for identification purpose only

- (b) the approval in paragraph (a) shall authorize the directors of the Company during the Relevant Period to make or grant offers, agreements and options which would or 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 of the Company pursuant to the approval in paragraph (a), otherwise than pursuant to the shares of the Company issued as a result of a Rights Issue (as hereinafter defined) or pursuant to the exercise of options under the Share Option Scheme or similar arrangement, or any scrip dividend or similar arrangement providing for the allotment of shares of the Company in lieu of the whole or part of the dividend on the shares of the Company in accordance with the Company's Bye-laws, shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

“Relevant Period” means the period from the date of 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 the Bye-laws of the Company or any applicable laws of Bermuda to be held; or
- (iii) revocation or variation of the authority given under this resolution by ordinary resolution of the shareholders of the Company in general meeting.

“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 on the register on a fixed record date in proportion to their 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, or the requirements of, any recognized regulatory body or any stock exchange in any territory outside Hong Kong).”

6.B. **“THAT:**

- (a) subject to paragraph (b), the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to repurchase its own shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the securities of the Company may be listed and recognized by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws

and requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange on which the securities of the Company may be listed as amended from time to time, be and is hereby generally and unconditionally approved;

- (b) the aggregate nominal amount of shares of the Company to be repurchased by the Company pursuant to the approval mentioned in paragraph (a) during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of passing of this resolution and the said approval shall be limited accordingly; and
- (c) the expression “Relevant Period” shall for the purposes of this resolution have the same meaning as assigned to it under ordinary resolution 6.A.(d) of this notice.”

6.C. “**THAT** conditional upon resolutions 6.A. and 6.B. above being passed, the aggregate nominal amount 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 6.B. above shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to resolution 6.A., 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 this resolution.”

7. As special business to amend the rules of the share option scheme of the Company by passing the following resolution as an ordinary resolution:

“**THAT** the rules of the share option scheme of the Company (the “Scheme Rules”) adopted by the shareholders of the Company in general meeting on 4th November, 2002 be amended as follows:

- (a) by amending the typographical error in the word “HOLDLINGS” to “HOLDINGS” in the title of the Scheme Rules;
- (b) by inserting the following definition in rule 2.1 (immediately preceding the definition of “Associates”):

“Amendment Date” 15th June, 2007, the date on which certain amendments to the Scheme were approved by the Company in general meeting;

- (c) by deleting the definition of “Effective Date” in rule 2.1 in its entirety and replacing it with:

“Effective Date” 4th November, 2002, the date on which the Scheme was initially adopted by a resolution of the Company;

- (d) by deleting the word “and” at the end of paragraph (ii) in the definition of “Option Price” in rule 2.1 and inserting the word “and” at the end of paragraph (iii) in the definition of “Option Price” in rule 2.1;
- (e) by inserting the following new paragraph immediately following paragraph (iii) in the definition of “Option Price” in rule 2.1:
 - “(iv) the net asset value per Share as determined in accordance with the Hong Kong Financial Reporting Standards and with reference to the latest published audited accounts in the annual report or the latest published unaudited accounts in the interim report (whichever is more recent) of the Group on the date of Offer;”
- (f) by inserting the following as new rule 5A immediately following rule 5.4:

“5A. VESTING OF OPTIONS

5A.1 Subject to rule 5A.2 and rule 5A.3, an Option granted on or after the Amendment Date shall vest in the relevant Option Holder in 5 tranches in the following manner:

- (i) 20% of the Option shall vest on the Date of Grant;
- (ii) 20% of the Option shall vest on each of the first, second and third anniversary of the Date of Grant; and
- (iii) the balance shall vest on the fourth anniversary of the Date of Grant,

provided that if any of the above vesting dates would fall on or after the expiry of the Scheme Period, such vesting dates would be deemed to be the date of expiry of the Scheme Period.

5A.2 The Chairman of the Board may at his absolute discretion adjust the portion of any Option to be vested in any tranche upwards or downwards by up to 20% of the relevant tranche based on the performance of the Option Holder in the year immediately preceding the relevant vesting date pursuant to rule 5A.1. For the avoidance of doubt, any adjustment to a particular tranche shall not affect the portion of the Option to be vested in other tranches pursuant to rule 5A.1.

5A.3 In the event of a general offer, voluntary winding-up or reconstruction of the Company in circumstances set out in rule 7.1, rule 7.2 or rule 7.3, any unvested Options shall immediately vest on, respectively, the date on which the Directors notify the Option Holders of the general offer, or the date of notice of the general meeting at which a resolution will be proposed for the voluntary

winding-up, or the date on which the Company gives notice to the Option Holders of a proposed compromise or arrangement for purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies.”

- (g) by deleting rule 6.2 in its entirety and replacing it with the following:

“6.2 No Option or part thereof may be exercised by an Eligible Person or his personal representative(s) until (a) the Eligible Person shall have completed half year’s full time service with the Company or a Subsidiary; and (b) the Option or part thereof have been vested in him in accordance with rule 5A.”

- (h) by inserting the words “and unvested Options” after the words “then any outstanding Offer of an Option to him” in the third line of rule 6.3(a);

- (i) by inserting the word “vested” after the words “he or (as the case may be) his personal representative(s) may exercise all his” in the fifth line of rule 6.3(a);

- (j) by inserting the words “and unvested Options” after the words “then any outstanding Offer of an Option to him” in the third line of rule 6.3(b), and the word “vested” after the words “shall lapse and he may exercise all his” in the same line;

- (k) by deleting “6.2” (in both instances) in the second line of rule 6.3(c) and replacing with “6.3”, and by inserting a comma after “6.3(b)” in the same line;

- (l) by inserting the words “fraud or” immediately before the words “serious misconduct” in the third line of rule 6.3(c), and by inserting a comma after the words “serious misconduct” in the same line;

- (m) by inserting the following as new rule 6.4 immediately following rule 6.3:

“6.4 Without prejudice to the foregoing, in the event of a person ceasing to be an Eligible Person by termination of his employment for fraud or serious misconduct or in accordance with the termination provisions of his contract of employment by his employing company, such person shall, upon demand by the Board at its absolute discretion, return all profits realized by him from the exercise of his Options to the Company.”; and

- (n) by renumbering the original rule 6.4 as rule 6.5.”

By order of the Board
Mok Wai Kun, Barbara
Secretary

Hong Kong, 25th April, 2007

Principal office:

Suites 3305–09
33/F., Jardine House
1 Connaught Place
Central
Hong Kong

Notes:

1. A shareholder entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a shareholder of the Company.
2. In order to be valid, the instrument appointing a proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or other authority, must be deposited at the principal office of the Company at Suites 3305–09, 33/F., Jardine House, 1 Connaught Place, Central, Hong Kong not less than 48 hours before the time appointed for holding the said meeting or adjourned meeting.
3. The register of members of the Company will be closed from Tuesday, 12th June, 2007 to Friday, 15th June, 2007, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the final dividend to be approved at the meeting and the right to attend and vote at the meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's Share Registrars in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712–1716, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Monday, 11th June, 2007.
4. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.

Pursuant to Bye-law 66 of the Bye-laws, a resolution put to the vote of a general meeting of the Shareholders shall be determined in the first instance by a show of hands of the Shareholders present in person or by proxy, but a poll may be demanded (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) by:

- (a) the chairman of such meeting; or
- (b) at least three Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (c) a Shareholder or Shareholders present in person (or in the case of a Shareholder 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 Shareholders having the right to vote at the meeting; or
- (d) a Shareholder or Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorised representative) or by proxy and holding Shares conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all Shares conferring that right.

A demand by a person as proxy for a Shareholder or in the case of a Shareholder being a corporation by its duly authorised representative shall be deemed to be the same as a demand by a Shareholder.