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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**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 **Dickson Concepts (International) Limited**, you should at once hand this circular and the accompanying proxy form to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for transmission to the purchaser or transferee.

The Stock Exchange of Hong Kong Limited 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.

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DICKSON CONCEPTS (INTERNATIONAL) LIMITED

迪生創建(國際)有限公司\*  
(incorporated in Bermuda with limited liability)

(Stock Code: 0113)

**PROPOSALS FOR RE-ELECTION OF DIRECTORS,  
GENERAL MANDATE TO REPURCHASE THE COMPANY'S SHARES,  
INCREASE OF AUTHORISED SHARE CAPITAL,  
BONUS ISSUE OF SHARES  
AND  
AMENDMENTS TO THE NEW BYE-LAWS**

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A notice convening the 2005 annual general meeting (the "2005 Annual General Meeting") of Dickson Concepts (International) Limited to be held at 4th Floor, East Ocean Centre, 98 Granville Road, Tsimshatsui East, Kowloon, Hong Kong on Thursday, 25th August, 2005 at 11:00 a.m. is set out in the 2005 Annual Report. Whether or not you are able to attend the 2005 Annual General Meeting, you are requested to complete and return the enclosed proxy form in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the 2005 Annual General Meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the 2005 Annual General Meeting or at any adjournment thereof should you so desire.

7th July, 2005

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\* For identification purpose only

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**EXPECTED TIMETABLE**

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The expected timetable is set out below :-

Last day of dealings in Shares cum-entitlements to the Bonus Shares.....	Friday, 19th August, 2005
First day of dealings in Shares ex-entitlements to the Bonus Shares.....	Monday, 22nd August, 2005
Latest time for lodging transfers of Shares for entitlements to the Bonus Shares.....	4:30 p.m. on Tuesday, 23rd August, 2005
Closure of Register of Members of the Company.....	Wednesday, 24th August, 2005 to Thursday, 25th August, 2005 (both days inclusive)
Record Date.....	Thursday, 25th August, 2005
Annual General Meeting.....	11:00 a.m. on Thursday, 25th August, 2005
Despatch of the certificates for the Bonus Shares.....	Friday, 2nd September, 2005
Commencement of dealings in the Bonus Shares.....	Tuesday, 6th September, 2005



DICKSON CONCEPTS (INTERNATIONAL) LIMITED  
迪生創建(國際)有限公司\*  
(incorporated in Bermuda with limited liability)

**Directors :**

Dickson Poon (*Group Executive Chairman*)  
Raymond Lee (*Deputy Chairman*)  
Chan Tsang Wing, Nelson  
Ching Sau Hong, Kevin  
Edwin Ing  
Ng Chan Lam  
Walter Josef Wuest

**Independent Non-Executive Directors :**

Bhanusak Asvaintra  
Nicholas Peter Etches  
Christopher Patrick Langley, OBE

**Registered Office :**

Bank of Bermuda Building,  
6 Front Street,  
Hamilton HM 11,  
Bermuda.

**Head Office and**

**Principal Place of Business :**  
4th Floor, East Ocean Centre,  
98 Granville Road,  
Tsimshatsui East,  
Kowloon,  
Hong Kong.

7th July, 2005

*To the Shareholders*

Dear Shareholder,

**PROPOSALS FOR RE-ELECTION OF DIRECTORS,  
GENERAL MANDATE TO REPURCHASE THE COMPANY'S SHARES,  
INCREASE OF AUTHORISED SHARE CAPITAL,  
BONUS ISSUE OF SHARES  
AND  
AMENDMENTS TO THE NEW BYE-LAWS**

**INTRODUCTION**

The purpose of this circular is to provide the shareholders (the "Shareholders") of Dickson Concepts (International) Limited (the "Company") with information regarding the resolutions to be proposed at the annual general meeting of the Company to be held at 4th Floor, East Ocean Centre, 98 Granville Road, Tsimshatsui East, Kowloon,

\* For identification purpose only

Hong Kong on Thursday, 25th August, 2005 at 11:00 a.m. (the “2005 Annual General Meeting”) relating to (1) the re-election of directors of the Company; (2) the Buyback Mandate (as hereinafter defined); (3) the increase of authorised share capital of the Company; (4) the Bonus Issue (as hereinafter defined); and (5) the amendments to the new Bye-laws of the Company (the “new Bye-laws”). The board of directors of the Company (the “Directors”) has confirmed that having made all reasonable enquiries, no Shareholder is required to abstain from voting on any of the resolutions relating to the aforesaid matters under Rule 2.15 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

## **1. RE-ELECTION OF DIRECTORS**

In accordance with Bye-law 111(A) of the new Bye-laws and in compliance with the Code on Corporate Governance Practices (the “Corporate Governance Code”) set out in Appendix 14 of the Listing Rules, Dr. Dickson Poon, Mr. Raymond Lee and Mr. Ng Chan Lam, executive directors of the Company, will retire from office by rotation at the 2005 Annual General Meeting and in accordance with Bye-law 102 of the new Bye-laws, Mr. Bhanusak Asvaintra, who was appointed as an independent non-executive director of the Company on 1st September, 2004, shall hold office until the 2005 Annual General Meeting. All these four retiring directors, being eligible, have offered themselves for re-election. Dr. Dickson Poon, Mr. Raymond Lee and Mr. Ng Chan Lam do not have any specific term of office but are subject to retirement by rotation in accordance with the new Bye-laws of the Company. Mr. Bhanusak Asvaintra was appointed for a fixed term of one year from 1st September, 2004 and, upon re-election at the 2005 Annual General Meeting, such appointment will be renewed for another year from 1st September, 2005. He is also subject to retirement by rotation in accordance with the new Bye-laws of the Company. There are no other matters in relation to the re-election of the four directors that need to be brought to the attention of the Shareholders.

Pursuant to the Listing Rules, the details of the aforesaid retiring directors who have offered themselves for re-election are set out below :-

### Dr. Dickson Poon

Dr. Poon, aged 49, is the founder and controlling shareholder of the Group (i.e. the Company and its subsidiary companies). He established the Dickson group business in 1980 and was appointed as an executive director of the Company in 1991 and has been the Group Executive Chairman since 1992. Dr. Poon provides leadership for the board of directors of the Company and ensures that the board discharges its responsibilities effectively and efficiently. He is also a director of twenty-eight subsidiary companies of the Company. Dr. Poon was awarded a Honorary Doctorate of Philosophy in Business Administration from Washington University, U.S.A. in recognition of his outstanding achievement in guiding the Company to the successful position it holds in the international business arena. Dr. Poon has not held any directorship in any other listed public companies in the last three years.

As at 30th June, 2005, being the latest practicable date before the printing of this circular for ascertaining certain information contained herein (the “Latest Practicable Date”), Dr. Poon had a total interest in 136,827,037 ordinary shares (representing 48.50 per cent. of the issued share capital of the Company as at the Latest Practicable Date) of HK\$0.30 each of the Company (the “Share(s)”), which comprised a personal interest in 12,764 Shares, a family interest in 1,000,000 Shares and an other interest in 135,814,273 Shares, within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”). The aforesaid

other interest in 135,814,273 Shares (representing 48.14 per cent. of the issued share capital of the Company as at the Latest Practicable Date) was attributable to the same block of interests held through three substantial shareholders, namely Dickson Investment Holding Corporation (“DIHC”), Paicolex Trust Company (BVI) Limited and Paicolex Trust Management AG (these three companies are the respective trustees of two trusts and Dr. Poon is the founder of one of these two trusts). Dr. Poon is a director of DIHC and the spouse of Ms. Pearl Poon, who was deemed a substantial shareholder due to Dr. Poon’s interests in the Company. Save as disclosed herein, Dr. Poon is not connected with any other directors, senior management or substantial or controlling shareholders of the Company.

There is no service contract between Dr. Poon and the Group. The proposed director’s fee of Dr. Poon in respect of the year ended 31st March, 2005 is HK\$10,000.00 subject to the approval of the Shareholders at the 2005 Annual General Meeting. Dr. Poon is also entitled to salary, discretionary bonus and retirement scheme contributions which are to be determined by the remuneration committee of the Company. The total emoluments of Dr. Poon are to be determined by reference to his duties and responsibilities, the Company’s performance, industry norms and general market conditions.

#### Mr. Raymond Lee

Mr. Lee, aged 55, joined the Group in 1992 as an executive director of the Company and was appointed as the Deputy Chairman of the Company in 2000 and the Chief Executive Officer of the Company in 2005. Mr. Lee provides leadership for the management of the Group to implement the strategies and oversee the realisation of the objectives set by the board of directors of the Company. He is also a director of sixty-eight subsidiary companies of the Company. Mr. Lee is a fellow of The Institute of Chartered Accountants in England and Wales and is currently a member of the Listing Committee of the Main Board of the Stock Exchange. He is the qualified accountant of the Company as prescribed under the Listing Rules. Prior to joining the Group, Mr. Lee held a senior position with a major international financial institution. He has not held any directorship in any other listed public companies in the last three years.

As at the Latest Practicable Date, Mr. Lee did not hold any Shares within the meaning of Part XV of the SFO and he is not connected with any other directors, senior management or substantial or controlling shareholders of the Company.

There is no service contract between Mr. Lee and the Group. The proposed director’s fee of Mr. Lee in respect of the year ended 31st March, 2005 is HK\$10,000.00 subject to the approval of the Shareholders at the 2005 Annual General Meeting. Mr. Lee is also entitled to salary, discretionary bonus and retirement scheme contributions which are to be determined by the remuneration committee of the Company. The total emoluments of Mr. Lee are to be determined by reference to his duties and responsibilities, the Company’s performance, industry norms and general market conditions.

#### Mr. Ng Chan Lam

Mr. Ng, aged 56, joined the Group in 1988 and was appointed as an executive director of the Company in 1994. He is also a director of forty-two subsidiary companies of the Company. A graduate of a university in Montreal, Canada, he acquired extensive trading and administrative experience prior to joining the Group. He has not held any directorship in any other listed public companies in the last three years.

As at the Latest Practicable Date, Mr. Ng did not hold any Shares within the meaning of Part XV of the SFO and he is not connected with any other directors, senior management or substantial or controlling shareholders of the Company.

There is no service contract between Mr. Ng and the Group. The proposed director's fee of Mr. Ng in respect of the year ended 31st March, 2005 is HK\$10,000.00 subject to the approval of the Shareholders at the 2005 Annual General Meeting. Mr. Ng is also entitled to salary, discretionary bonus and retirement scheme contributions which are to be determined by the remuneration committee of the Company. The total emoluments of Mr. Ng are to be determined by reference to his duties and responsibilities, the Company's performance, industry norms and general market conditions.

#### Mr. Bhanusak Asvaintra

Mr. Asvaintra, aged 60, was appointed as an independent non-executive director of the Company in 2004 for a fixed term of one year from 1st September, 2004 subject to earlier determination or re-election under retirement by rotation in accordance with the new Bye-laws of the Company and/or applicable laws and regulations. Mr. Asvaintra is a member of the audit committee and the remuneration committee of the Company. A graduate of the University of Pennsylvania and the University of Chicago, Mr. Asvaintra held senior executive positions with the Chase Manhattan Bank group in New York, Hong Kong and Singapore in the 1970s. He joined the Charoen Pokphand group of companies (the "Pokphand Group") in 1980 where he was responsible for the establishment of the Pokphand Group's Hong Kong office, and the overall strategic planning, development and finance of the Pokphand Group worldwide. Mr. Asvaintra retired as the chief executive officer of the Pokphand Group in 1998. Mr. Asvaintra has not held any directorship in any other listed public companies in the last three years.

As at the Latest Practicable Date, Mr. Asvaintra did not hold any Shares within the meaning of Part XV of the SFO and he is not connected with any other directors, senior management or substantial or controlling shareholders of the Company.

There is no service contract between Mr. Asvaintra and the Group. The proposed director's fee of Mr. Asvaintra in respect of the year ended 31st March, 2005 is HK\$200,000.00 subject to the approval of the Shareholders at the 2005 Annual General Meeting, and is based on his relevant duties and responsibilities and in line with the other independent non-executive directors of the Company.

## **2. GENERAL MANDATE TO REPURCHASE THE COMPANY'S SHARES**

The following is the explanatory statement required by the Listing Rules concerning the regulation of purchases by companies of their own securities on the Stock Exchange :-

### **GENERAL MANDATE TO REPURCHASE SHARES**

At the 2005 Annual General Meeting, an ordinary resolution will be proposed to renew the granting to the Directors of a general mandate (the "Buyback Mandate") in the terms set out in the notice of the 2005 Annual General Meeting allowing the Company to repurchase its own shares up to a limit of 10 per cent. in aggregate of the Company's issued share capital at the date of the passing of the resolution during the period

ending on the earliest of the date of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law to be held and the date upon which such authority is revoked or varied (the “Buyback Period”). This will allow the Company to repurchase its own shares, inter alia, on-market in accordance with the Listing Rules.

## **SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 282,101,217 Shares.

Subject to the granting of the Buyback Mandate, on the basis that no further Shares are issued or repurchased on or before 25th August, 2005, being the date of the 2005 Annual General Meeting, the Company would be allowed under the Buyback Mandate to purchase up to a maximum of 28,210,121 Shares, representing 10 per cent. of the issued share capital of the Company.

## **REASONS FOR REPURCHASES**

The Directors believe that it is in the best interests of the Company and its Shareholders to seek a general authority from Shareholders to enable the Directors to purchase Shares of the Company in the market. Such purchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets value and/or earnings per Share of the Company and will only be made when the Directors believe that such a purchase will benefit the Company and its Shareholders.

## **FUNDING OF REPURCHASES**

Pursuant to the Buyback Mandate, repurchases would be funded entirely from the Company’s available cash flow or working capital facilities which will be funds legally available for the purpose in accordance with all applicable laws of Bermuda and the Company’s Memorandum of Association and new Bye-laws.

On the basis of the consolidated financial position of the Company as at 31st March, 2005 (being the date to which the latest published audited financial statements of the Company have been made up), the Directors consider that the exercise in full of the Buyback Mandate to repurchase Shares might have a material adverse impact on the working capital or gearing position of the Company as compared with its position as at 31st March, 2005. However, the Directors do not propose to exercise the Buyback Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing ratio of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

## SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange in each of the previous twelve months preceding the Latest Practicable Date are as follows :-

	<b>Highest</b>	<b>Lowest</b>
	<i>HK\$</i>	<i>HK\$</i>
July 2004	7.909	7.318
August 2004	7.850	7.273
September 2004	8.200	7.300
October 2004	7.700	6.300
November 2004	9.950	6.400
December 2004	10.900	9.000
January 2005	11.600	9.900
February 2005	15.200	11.400
March 2005	14.350	13.100
April 2005	14.500	13.350
May 2005	14.000	13.100
June 2005	16.650	13.250

## SHARE REPURCHASES MADE BY THE COMPANY

The Company has not made any purchase of Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

## HONG KONG CODE ON TAKEOVERS AND MERGERS

If as a result of a repurchase, a shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purpose of the Hong Kong Code on Takeovers and Mergers (the "Takeover 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 Rules 26 and 32 of the Takeover Code.

As at the Latest Practicable Date, DIHC was interested in 135,814,273 Shares representing approximately 48.14 per cent. of the issued share capital of the Company. Such Shares are held by a trust established for the benefit of members of Dr. Dickson Poon's family. In the event that the Buyback Mandate is exercised in full and no further Shares are issued during the Buyback Period, the percentage of shareholding of DIHC in the Company would be increased to approximately 53.49 per cent. of the issued share capital of the Company and it would be expected to give rise to an obligation to make a mandatory offer in accordance with Rules 26 and 32 of the Takeover Code. However, the Directors do not intend to exercise the Buyback Mandate to such extent as would, in the circumstances, trigger any potential consequences under the Takeover Code. Moreover, the exercise of the Buyback Mandate will not give rise to the number of Shares held by the public to fall below 25 per cent..

## **GENERAL**

None of the Directors nor, to the best of their knowledge and having made all reasonable enquiries, their associates (as defined in the Listing Rules) have any present intention if the Buyback Mandate is approved and exercised to sell any Shares to the Company.

No connected persons (as defined in the Listing Rules) of the Company have notified the Company that if the Buyback Mandate is approved and exercised, they have a present intention to sell Shares to the Company or its subsidiary companies, or have undertaken not to do so.

The Directors have undertaken to the Stock Exchange that they will exercise the Buyback Mandate in accordance with the Listing Rules and the applicable laws of Bermuda, the jurisdiction in which the Company is incorporated, and in accordance with the regulations set out in the Memorandum of Association and new Bye-laws of the Company.

### **3. INCREASE OF AUTHORISED SHARE CAPITAL**

As at the Latest Practicable Date, the authorised share capital of the Company was HK\$108,999,999.90 divided into 363,333,333 Shares of which 282,101,217 Shares had been issued. In order to cater for the Bonus Issue and any other allotment or issue of Shares pursuant to the general mandate to be sought from the Shareholders at the 2005 Annual General Meeting, it is proposed to increase the authorised share capital of the Company from HK\$108,999,999.90 to HK\$120,000,000.00 by the creation of 36,666,667 additional shares of HK\$0.30 each and such shares, if issued, will rank *pari passu* in all respects with the existing issued shares of the Company.

The Directors wish to state that currently they have no plans to issue any additional new shares of the Company (other than pursuant to the Bonus Issue).

### **4. BONUS ISSUE OF SHARES**

In view of the Group's confidence in the performance of its operations in the current financial year ending 31st March, 2006 and in order to provide the Shareholders with the opportunity to participate in the growth of the Company by way of capitalisation of a portion of the retained profits of the Company, the Directors have recommended a bonus issue in the proportion of one share (the "Bonus Share(s)") for every ten existing shares held (the "Bonus Issue") to Shareholders whose names appear in the Register of Members on 25th August, 2005 (the "Record Date") subject to the fulfillment of the conditions set out below.

As at the Latest Practicable Date, there were 282,101,217 Shares in the share capital of the Company. On the basis that no further Shares are issued or repurchased on or before 25th August, 2005, being the date of the 2005 Annual General Meeting and the Record Date, 28,210,121 Bonus Shares will be issued under the Bonus Issue and the amount of HK\$8,463,036.30, being part of the Company's retained profits, will be capitalised and accordingly such sum will be applied in paying up in full at par the 28,210,121 Bonus Shares. After completion of the Bonus Issue, there will be a total of 310,311,338 Shares in the enlarged issued share capital of the Company. The 28,210,121 Bonus Shares represent 10 per cent. of the existing issued share capital of the Company and 9.09 per cent. of the enlarged issued share capital of the Company.

The Bonus Shares to be issued pursuant to the Bonus Issue will, subject to the Memorandum of Association and new Bye-laws of the Company, rank pari passu in all respects with the existing issued Shares of the Company with effect from the date of issue, except that they will not be entitled to the recommended final dividend and special dividend for the financial year ended 31st March, 2005 or the Bonus Issue.

The number of Bonus Shares to be issued under the Bonus Issue to each Shareholder will be rounded down to the nearest whole number. No fractional Shares (if any) will be issued and Shares representing fractions will be aggregated and sold. The proceeds of sale will be retained for the benefit of the Company.

In the absence of any specific instruction to the contrary received in writing by the Company's Hong Kong Branch Registrar, Tengis Limited, certificates in respect of the Bonus Shares will be sent to the persons entitled thereto at their respective addresses shown in the Register of Members or in the case of joint holders, to the address of the joint holder whose name stands first in the Register of Members in respect of the joint holding. It is expected that certificates for the Bonus Shares will be posted to those entitled thereto at their own risk on 2nd September, 2005.

The Bonus Issue is conditional upon :-

- (i) the passing at the 2005 Annual General Meeting of an ordinary resolution to approve the Bonus Issue; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Bonus Shares.

Application will be made to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the Bonus Shares to be issued pursuant to the Bonus Issue. It is expected that the dealing of Bonus Shares on the Stock Exchange will commence on 6th September, 2005.

Subject to the granting of the listing of and permission to deal in the Bonus Shares on the Stock Exchange as well as compliance with the stock admission requirements of Hong Kong Securities Clearing Company Limited ("HKSCC"), the Bonus Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in Central Clearing and Settlement System ("CCASS") with effect from the commencement date of dealings in the Bonus Shares on the Stock Exchange or such other date as may be determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

No part of the share capital of the Company is listed or dealt in on any other stock exchange and no such listing or permission to deal is being or proposed to be sought. The Bonus Shares will not be listed or traded on any other stock exchange other than the Stock Exchange and no such listing or permission to deal is being or proposed to be sought. Dealings in the Bonus Shares will be subject to the payment of stamp duty in Hong Kong.

The Register of Members of the Company will be closed from Wednesday, 24th August, 2005 to Thursday, 25th August, 2005, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the final dividend, the special dividend and the Bonus Shares, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Registrar, Tengis Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 23rd August, 2005.

## **5. AMENDMENTS TO THE NEW BYE-LAWS**

With a view to conforming with the requirements of the Corporate Governance Code which came into effect on 1st January, 2005 that every director should be subject to retirement by rotation at least once every three years, the Directors have resolved to propose to Shareholders for approval certain amendments to the new Bye-laws in compliance with the Listing Rules.

## **6. PROCEDURE FOR DEMANDING A POLL**

Pursuant to Bye-law 78 of the new Bye-laws of the Company, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless 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 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
- (iii) by any 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 the Shareholders having the right to vote at the meeting; or
- (iv) by 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 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.

## 7. RECOMMENDATION

The notice containing the relevant resolutions regarding the above proposals to be passed at the 2005 Annual General Meeting are contained in the Company's 2005 Annual Report which is being despatched to Shareholders together with this circular.

DIHC has indicated that it intends to vote in favour of all the resolutions to be proposed at the 2005 Annual General Meeting in respect of its aggregate holding as at the Latest Practicable Date being 135,814,273 Shares (representing approximately 48.14 per cent. of the issued share capital of the Company as at the Latest Practicable Date).

The Directors recommend the aforesaid proposals regarding (1) the re-election of directors of the Company; (2) the Buyback Mandate; (3) the increase of authorised share capital of the Company; (4) the Bonus Issue; and (5) the amendments to the new Bye-laws of the Company to all Shareholders for their favourable consideration and urge them to vote in favour of the resolutions to be proposed at the 2005 Annual General Meeting as they intend to do themselves in respect of their own holdings.

Yours faithfully,



**Dickson Poon**

*Group Executive Chairman*