China Netcom Group CORP (Hong Kong) LTD
Form 6-K
May 08, 2006

FORM 6-K

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934

For the month of April, 2006

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

Form 20-F X Form 40-F

(Indicate by check mark whether the registrant by furnishing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.)

Yes No X

(If "Yes" is marked, indicate below the file number assigned to registrant in connection with Rule 12g3-2(b): 82-_____.)

N/A

China Netcom Group Corporation (Hong Kong) Limited
Building C, No. 156, Fuxingmennei Avenue
Xicheng District
Beijing, 100031 PRC

This Form 6-K consists of:

The notice of proposed amendments to the rules of the Share Option Scheme and the terms of the Options granted of China Netcom Group Corporation (Hong Kong) Limited (the "Registrant"), made by the Registrant in English on April 29, 2006.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the

under-signed, thereunto duly authorized.

CHINA NETCOM GROUP CORPORATION (HONG KONG) LIMITED

By /s/ Miao Jianhua

By /s/ Mok Kam Wan

Name: Miao Jianhua and Mok Kam Wan

Title: Joint Company Secretaries

Date: April 29, 2006

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 licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Netcom Group Corporation (Hong Kong) Limited, you should at once hand this circular together with the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer 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 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.

[CNC LOGO OMITTED]]
CHINA NETCOM GROUP CORPORATION (HONG KONG) LIMITED
[GRAPHIC OMITTED][GRAPHIC OMITTED]
(incorporated in Hong Kong with limited liability under the Companies Ordinance)
(Stock Code: 906)

AMENDMENTS TO THE RULES OF THE SHARE OPTION SCHEME
AND
THE TERMS OF THE OPTIONS GRANTED UNDER

THE SHARE OPTION SCHEME

A notice convening an extraordinary general meeting of the Company to be held in The Ballroom, Island Shangri-la, Hong Kong, on 16 May 2006 at 12:00 noon (or as soon thereafter as the annual general meeting of the Company convened to be held at 11:00 a.m. at the same place and date shall have been concluded or adjourned), is set out at the end of this circular. Whether or not you are able to attend the extraordinary general meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's registered office at Room 6701, The Center, 99 Queen's Road Central, Hong Kong, as soon as practicable and in any event at least 48 hours before the time appointed for holding the extraordinary general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the extraordinary general meeting or at any adjourned meeting should you so wish.

29 April 2006

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DEFINITIONS

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

"Board"	the board of Directors
"Company"	China Netcom Group Corporation (Hong Kong) Limited ([GRAPHIC OMITTED]), a company incorporated in Hong Kong whose Shares are listed on the Hong Kong Stock Exchange and whose American depositary shares are listed on the New York Stock Exchange, Inc.
"Compensation Committee"	a committee established by the Board, with primary duties to formulate remuneration policies and is responsible for dealing with all matters relating to the Share Option Scheme as authorised by the Board

"County Branch Companies"	the branch companies of the Provincial Companies located in various counties
"Directors"	the directors of the Company
"Effective Options"	Options granted pursuant to the Share Option Scheme, irrespective of whether such Options are exercisable in accordance with the relevant Vesting Schedule
"Eligible Participants"	directors, chief executives or Middle-to-Senior Management or Specialised Professionals of the Company or its subsidiaries who are determined by the Board or the Compensation Committee according to the Share Option Scheme to have made substantial contribution
"Extraordinary General Meeting"	the extraordinary general meeting of the Company to be convened on 16 May 2006, notice of which is set out at the end of this circular, or any adjournment thereof
"Group"	the Company and its existing subsidiaries
"Hong Kong"	Hong Kong Special Administrative Region of the People's Republic of China
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Middle-to-Senior Management"	general manager or management staff with equivalent rank or above at various Provincial Companies or County Branch Companies of the Company
"Option(s)"	option(s) which have been granted under the Share Option Scheme
"Options Effective Date"	the Options Grant Date or the date on which the Shares are listed and trading commences on the Hong Kong Stock Exchange, whichever is later
"Options Effective Term"	the period commencing from the Options Effective Date to the date on which Options lapse in accordance with the terms of the Share Option Scheme
"Options Grant Date"	the date on which Options are granted pursuant to the Share Option Scheme
"Options Restricted Period"	the period commencing from the Options Effective Date to the date on which Options can be exercised, during which Options Restricted Period, Options cannot be exercised

"Provincial Companies"	the subsidiaries or branch companies of the Company located in various provinces, autonomous regions and municipalities of the People's Republic of China
"Share Option Scheme"	the share option scheme of the Company approved and adopted by a resolution of the Shareholders passed on 30 September 2004
"Share(s)"	ordinary shares in the Company's issued share capital with a par value of US$0.04 per share, which are listed on the Hong Kong Stock Exchange
"Shareholders"	holders of Shares
"Specialised Professionals"	professionals or management staff or technical or marketing staff holding important positions of the Company or its subsidiaries who are important to the development of the Company's business. The Compensation Committee has the right to interpret "Specialised Professionals" and identify them
"State Council"	the State Council of the People's Republic of China [GRAPHIC OMITTED]
"US dollars" or "US$"	United States dollars, the lawful currency of the United States of America
"Vesting Schedule"	the arrangement whereby Options granted at a particular time can be exercised in one lot or in batches in accordance with a pre-determined timetable

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LETTER FROM THE CHAIRMAN

[CNC LOGO OMITTED]

CHINA NETCOM GROUP CORPORATION (HONG KONG) LIMITED

[GRAPHIC OMITTED]

(incorporated in Hong Kong with limited liability under the Companies Ordinance)

(Stock Code: 906)

Executive Directors:
ZHANG Chunjiang (Chairman)
TIAN Suning (Vice Chairman and Chief Executive Officer)
ZHANG Xiaotie
MIAO Jianhua
JIANG Weiping

Non-Executive Directors:
LI Liming
YAN Yixun
Jose Mareia ALVAREZ-PALLETE

Registered Office:
Room 6701, The Center
99 Queen's Road Central
Hong Kong

Independent Non-executive Directors:
John Lawson THORNTON
Victor CHA Mou Zing
QIAN Yingyi
HOU Ziqiang
Timpson CHUNG Shui Ming

29 April 2006

To the Shareholders

Dear Sir or Madam,

AMENDMENTS TO THE RULES OF THE SHARE OPTION SCHEME
AND
THE TERMS OF THE OPTIONS GRANTED UNDER
THE SHARE OPTION SCHEME

INTRODUCTION

The purpose of this circular is to provide you with details relating to the proposed amendments to the rules of the Share Option Scheme and the terms of the Options granted, and to seek your approval of the ordinary resolutions set out in the Notice of the Extraordinary General Meeting at the end of this circular.

LETTER FROM THE CHAIRMAN

PROPOSED AMENDMENTS TO THE RULES OF THE SHARE OPTION SCHEME AND THE TERMS OF THE OPTIONS GRANTED UNDER THE SHARE OPTION SCHEME

Reasons for amending the rules of the Share Option Scheme

Since the Company's listing, the Company has carefully reviewed and refined its remuneration policy. With the assistance of an outside strategic consultant, the Company formulated certain changes to the rules of the Share Option Scheme so that the benefits to the grantees under the Share Option Scheme are closely aligned with the performance of the Company and the individual grantees. The Company also proposes certain changes to the provisions relating to the exercise of options upon termination of employment. The changes are proposed in order to reduce the administrative burden on the Company to monitor outstanding Options for grantees whose employment has been terminated.

According to Note (2) to Rule 17.03 of the Listing Rules, any alterations to the terms and conditions of a share option scheme of a listed issuer which are of a material nature or any change to the terms of options granted must be approved by the shareholders of the listed issuer. As certain amendments to the rules of the Share Option Scheme are material and the terms of Options granted are proposed to be amended, approval of Shareholders is required.

Proposed amendments to the rules of the Share Option Scheme requiring approval of Shareholders

The proposed amendments to the rules of the Share Option Scheme requiring the approval of Shareholders are summarised as follows:

(a) Eligible Participants

Existing provisions	Proposed amendments
The Eligible Participants of the Share Option Scheme include the members of the Board (including executive Directors and non-executive Directors), Middle-to-Senior Management and Specialised Professionals identified by the Compensation Committee.	The Eligible Participants of the Share the members of the Board (including ex non-executive Directors (but not indep Directors)), Middle-to-Senior Manageme Professionals identified by the Compen

(b) Exercise of Options and Vesting Schedules

Existing provisions	Proposed amendments
(i) The initial exercise of the Options which are granted prior to the listing of the Company on the Hong Kong Stock Exchange is subject to an Options Restricted Period of 1.5 years and such Options shall only be exercised in batches in accordance with the Vesting Schedule below. The maximum number of Options that can be exercised at each tier shall not exceed the limits set out below: – 40% of the Options granted may be exercised 18 months after the Options Effective Date; – another 30% of the Options granted may be exercised 30 months after the Options Effective Date; and – the remaining 30% of the Options granted may be exercised 42 months after the	(i) The initial exercise of t granted prior to the listi the Hong Kong Stock Exchan Options Restricted Period Options shall only be exe accordance with the Vesting maximum number of Options at each tier shall not exc below: – 40% of the Options gr 18 months after the Op (the "First Tier"); – another 20% of the O exercised 30 months Effective Date (the "S

Options Effective Date.

(ii) The initial exercise of the Options which are granted after the listing of the Company on the Hong Kong Stock Exchange is subject to an Options Restricted Period of 2 years and such Options shall only be exercised in batches in accordance with the Vesting Schedule below. The maximum number of Options that can be exercised at each tier shall not exceed the limits set out below:

- 40% of the Options granted may be exercised 24 months after the Options Effective Date;
- another 30% of the Options granted may be exercised 36 months after the Options Effective Date; and
- the remaining 30% of the Options granted may be exercised 48 months after the Options Effective Date.

- another 20% of the O exercised 42 months Effective Date (the "T
- the remaining 20% of may be exercised Options Effective Date

(ii) The initial exercise of t granted after the listing Hong Kong Stock Exchange is Restricted Period of 2 yea shall only be exercised in with the Vesting Schedule number of Options that can tier shall not exceed the li

- 40% of the Options gr 24 months after the Op (the "First Tier");
- another 20% of the O exercised 36 months Effective Date (the "S
- another 20% of the O exercised 48 months Effective Date (the "T
- the remaining 20% of may be exercised Options Effective Date

(iii) The grantee is requi Options through the in by the Company.

LETTER FROM THE CHAIRMAN

(c) Rights upon cessation of employment

Existing provisions	Proposed amendments
(1) If the grantee of an Option ceases to be an employee because of misconduct or criminal conviction, and as a result ceases to be an Eligible Participant under the Share Option Scheme, all the Effective Options not yet exercised shall lapse on the date of cessation of his employment and such Options shall in no circumstances be exercisable.	(1) If the grantee of an Optio employee because of miscon conviction, and as a result Eligible Participant under Scheme, all the Effective exercised shall lapse on the d his employment and such Op circumstances be exercisable.
(2) If the grantee of an Option resigns, all the Effective Options not yet exercised shall	(2) If the grantee of an Opti internally to China Network C

lapse on the date of cessation of his employment.	Corporation and its controll grantee shall be entitled to e in accordance with the Vesting
(3) If the grantee of an Option ceases to be an employee for any reason other than death, loss of capacity or the reasons as referred to under (1) or (2) above, and thus as a result ceases to be an Eligible Participant under the Share Option Scheme, the grantee may, at any time within 12 months of the date of the cessation of his employment, exercise the Effective Options granted to him but not yet exercised as at the date of the cessation of his employment. Any Options which are not yet exercised upon expiry of such period shall lapse automatically.	(3) If the grantee of an Option is the Company with the Company's other than (2) above), the g time within 90 days of the da of his employment, exercise th which are exercisable as at cessation of his employment as which are exercisable at th following the date of cessation Any such Options which are no the 90-day period shall lapse the Options exercisable at lat automatically.
	(4) If the grantee of an Option r may, at any time within 90 day retirement, exercise the Effe are not yet exercised. Any su not exercised within the 90-da automatically.
	(5) If the grantee of an Optio employee for any reason other capacity or the reasons as re (2), (3) or (4) above and resignation, and thus as a resu Eligible Participant under the all of his Effective Options shall lapse on the date of employment.
	Where the employment of a grantee or the grantee retires or has ret proposed amendments being approved general meeting, the date of cessat retirement will be deemed to be the proposed amendments are approved general meeting.

LETTER FROM THE CHAIRMAN

(d) Right upon death

Existing provisions	Proposed amendments
If the grantee of an Option dies and provided that there	If the grantee of an Option

is no misconduct or criminal conviction on the part of the grantee, the grantee's personal representative may, at any time during the period commencing from the date of the grantee's death to the date of expiry of the Options Effective Term, exercise the Effective Options granted to such grantee but not yet exercised as at the date of the grantee's death. Any Options which are not yet exercised upon expiry of such period shall lapse automatically.	there is no misconduct or cri part of the grantee, Effecti not yet exercised) shall be estate, the grantee's pers authorised persons shall e Options within 90 days. Any not exercised within the 90 automatically. Where the grantee dies or proposed amendments being a at general meeting, his deat occurred on the day on amendments are approved by meeting.

(e) Rights upon loss of capacity

Existing provisions	Proposed amendments
The grantee of an Option may, at any time during the period commencing from the date of his loss of capacity to the date of expiry of the Options Effective Term, exercise the Effective Options granted to him but not yet exercised as at the date of his loss of capacity. Any Options which are not yet exercised upon expiry of such period shall lapse automatically.	The guardian of the gra authorised persons may, at period within 90 days of t capacity of such grantee, Options granted to such exercised as at the date of the grantee. Any such O exercised within the 90-d automatically. Where the loss of capacity place prior to these prop approved by Shareholders a loss of capacity will be de on the day on which these p approved by Shareholders at g

(f) Performance Targets

Existing provisions	Proposed amendments
The grantee does not have to meet any performance target prior to the exercise of the Options unless otherwise stipulated by the Board and such performance target has already been stated in the agreement granting the Options.	The exercise of a portion employees of the Compan management and directors of t at each tier pursuant to the (the "Adjustable Options") results of the performance respect of the year imme commencement of the relev against the Company's perfor

or all of the Adjustable Opt
cancellation depending upo
performance review. The Adj
determined by the Company
number of Options exercisa
expected yield of each Opt
between the average price o
immediately preceding the
relevant tier and the exercis
In the event that the grantee
unvested Options pursuant to
will be reduced to reflect hi
reduced Options will automati

(g) Cancellation of Options

Existing provisions	Proposed amendments
Upon obtaining the consent of the grantee, the Board may cancel the Options granted (but not yet exercised) provided that (i) the Board shall pay to the grantee an amount equal to the fair market value of the Options as at the date of cancellation; (ii) the Board shall offer to grant to the grantee an option under a replacement scheme (or under any other schemes) with value equivalent to the Options being cancelled; (iii) the Board shall make such other arrangements as the grantee agrees, to compensate him for the loss of the Options.	The Board may resolve to canc but not yet exercised. Lapsed Options shall be aut the date of lapse. The increase in exercisable at each tier (the Options e Tier shall be deemed as the Options at the First Tier) cancellation upon the hap following events: (i) the annual perfor Company for the commencement of th that the Company performance review (ii) the issuance of a the Company's Company's accounta issue an opinion reports in respect the commencement of (iii) where the Superviso authorities for St of the State C material objection the annual report respect of the commencement of the

(h) Amendments to Share Option Scheme

Existing provisions	Proposed amendments
The Board may amend any of the provisions of the Share Option Scheme and the terms of the Options (including amendments in order to comply with changes in legal or regulatory requirements) at any time (but not so as to prejudice the rights of the grantees of Options).	The Board may amend any of Share Option Scheme and th (including amendments in changes in legal or regulator time.

Terms of Options Granted

The Company has granted Options under the Share Option Scheme prior its listing on the Hong Kong Stock Exchange and on 6 December 2005. The Options were granted on the existing terms of the Share Option Scheme. Upon the amendments to rules of the Share Option Scheme taking effect, the terms of the Options granted will also change to reflect the amended rules of the Share Option Scheme.

LETTER FROM THE CHAIRMAN

GENERAL

The amended rules of the Share Option Scheme and the resulting amendments to the terms of the Options granted, if approved by the Shareholders at the Extraordinary General Meeting, will take effect from the date of the Extraordinary General Meeting.

The amended rules of the Share Option Scheme are in compliance with the requirements of Chapter 17 of the Listing Rules and the guidance regarding adjustments of the exercise price and the number of securities subject to Options granted, as set out in the letter dated 5 September 2005 from the Hong Kong Stock Exchange to all listed issuers.

Copy of the existing rules of the Share Option Scheme and the proposed Share Option Scheme as amended are available for inspection at Linklaters, 10th Floor, Alexandra House, Chater Road, Hong Kong during normal business hours on any business day from the date of this circular up to and including the date of the Extraordinary General Meeting and at the Extraordinary General Meeting if any Shareholder is interested in the details of the changes mentioned in this circular and other minor amendments proposed to be made to the rules of the Share Option Scheme by the Board within its power.

EXTRAORDINARY GENERAL MEETING

A notice of the Extraordinary General Meeting to be held in The Ballroom,

Island Shangri-la, Hong Kong on 16 May 2006 at 12:00 noon (or as soon thereafter as the annual general meeting of the Company convened to he held at 11:00 a.m. at the same place and date shall have been concluded or adjourned), is set out at the end of this circular. At the Extraordinary General Meeting, ordinary resolutions will be proposed to approve the amendments to the rules of the Share Option Scheme and the amendments to the terms of the Options granted.

A form of proxy for use at the Extraordinary General Meeting is enclosed with this circular. Whether or not you are able to attend the Extraordinary General Meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's registered office at Room 6701, The Center, 99 Queen's Road Central, Hong Kong, as soon as practicable and in any event at least 48 hours before the time appointed for holding the Extraordinary General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude a Shareholder from attending and voting in person at the Extraordinary General Meeting or any adjournment thereof should he so wishes.

PROCEDURES FOR DEMANDING A POLL AT THE EXTRAORDINARY GENERAL MEETING

According to article 70 of the articles of association of the Company, a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded by:

(a) the chairman of the 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 and entitled to vote at the meeting; or

(c) 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 in the aggregate not less than one-tenth of the total voting rights of all Shareholders having the right to attend and vote at the meeting; or

(d) 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 holding shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

A poll shall be taken at such time (being not later than thirty days after the date of the demand) and in such manner (including the use of ballot or voting papers or tickets) as the chairman of the Extraordinary General Meeting may appoint. On a poll, every Shareholder present at the Extraordinary General Meeting shall be entitled to one vote for every fully paid-up Share of which he is the holder. The result of such poll shall be deemed for all purposes to be the resolution of the meeting at which the poll was so directed or demanded.

RECOMMENDATION

The Board considers that the amendments to the rules of the Share Option Scheme and the terms of the Options granted are in the interests of the Company and its Shareholders as a whole. Accordingly, the Board recommends that Shareholders vote in favour of the ordinary resolutions to be proposed at the Extraordinary General Meeting to approve the amendments to the rules of the Share Option Scheme and the terms of the Options granted, as detailed in the notice of the Extraordinary General Meeting set out at the end of this circular.

By Order of the Board
China Netcom Group Corporation (Hong Kong) Limited
Zhang Chunjiang
Chairman

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

[CNC LOGO OMITTED]
CHINA NETCOM GROUP CORPORATION (HONG KONG) LIMITED
[GRAPHIC OMITTED]
(incorporated in Hong Kong with limited liability under the Companies Ordinance)
(Stock Code: 906)

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the shareholders of China Netcom Group Corporation (Hong Kong) Limited (the "Company") will be held at 12:00 noon (or as soon thereafter as the annual general meeting of the Company to be convened at 11:00 a.m. at the same place and date shall have been concluded or adjourned) on 16 May 2006, in The Ballroom, Island Shangri-la, Hong Kong for the purposes of considering and, if thought fit, passing, with or without modifications, the following resolutions as Ordinary Resolutions:

Ordinary Resolutions

1. "THAT the amendments to the rules of the Share Option Scheme of the Company (the "Share Option Scheme") referred to in the circular to shareholders of the Company dated 29 April 2006 (the "Circular") and contained in the amended Share Option Scheme, a copy of which is available for inspection as detailed in the Circular and produced to this meeting and for the purposes of identification initialled by the chairman of this meeting, be approved, subject to such modifications of those amendments to the rules of the Share Option Scheme as the directors of the Company may consider necessary to take into account the requirements of The Stock Exchange of Hong Kong Limited and that the directors of the Company be authorised to adopt the amendments to the rules of the Share Option Scheme and do all acts and things necessary to carry such amendments and modifications (if any) into effect."

2. "THAT the amendments to the terms of options granted under the Share Option Scheme referred to in the Circular be approved, subject to such modifications of those amendments to the terms of options granted under the Share Option Scheme as the directors of the Company may consider necessary to take into account the requirements of The Stock Exchange of Hong Kong Limited and that the directors of the Company be authorised to adopt the amendments to the terms of options granted under the Share Option Scheme and do all acts and things necessary to carry such amendments and modifications (if any) into effect."

By Order of the Board
Miao Jianhua Mok Kam Wan
Joint Company Secretaries

Hong Kong, 29 April 2006

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

Registered office
Room 6701, The Center
99 Queen's Road Central
Hong Kong

Notes:

1. A member entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint one or more proxies to attend and, on a poll, vote in his stead. A proxy need not be a member of the Company.

2. In order to be valid, a form of proxy together with any power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power of authority, must be deposited at the Company's registered office at Room 6701, The Center, 99 Queen's Road Central, Hong Kong, at least 48 hours before the time appointed for holding the Extraordinary General Meeting. Completion and return of the form of proxy will not preclude a member from attending and voting in person at the meeting or at any adjourned meeting should a member so wish.

[CNC LOGO OMITTED]
CHINA NETCOM GROUP CORPORATION (HONG KONG) LIMITED
[GRAPHIC OMITTED]
(incorporated in Hong Kong with limited liability under the Companies Ordinance)
(Stock Code: 906)

Form of proxy for the Extraordinary General Meeting
to be held on 16 May 2006

I/We (Note 1) _____

of _____

being the registered holder(s) of _____ Shares (Note 2) of US$0.04 each in the share capital of the above-named Company HEREBY APPOINT THE CHAIRMAN OF THE EXTRAORDINARY GENERAL MEETING (Note 3) or of _____

as my/our proxy to attend and act for me/us at the Extraordinary General Meeting (and any adjournment thereof) of the said Company to be held in The Ballroom, Island Shangri-la, Hong Kong on 16 May 2006 at 12:00 noon (or as soon thereafter as the annual general meeting of the Company convened to be held at 11:00 a.m. at the same place and date shall have been concluded or adjourned) for the purposes of considering and, if thought fit, passing the Resolutions as set out in the Notice of the Extraordinary General Meeting and at such Meeting (and at any adjournment thereof) to vote for me/us and in my/our name(s) in respect of the Resolutions as indicated below (Note 4).

RESOLUTIONS	FOR	AGAINST
1. To approve the amendments to the rules of the Share Option Scheme.		
2. To approve the amendments to the terms of the options granted under the Share Option Scheme.		

Dated this ____ day of _____ 2006 Signed (Note 5) _____

Notes:

1. Full name(s) and address(es) to be inserted in BLOCK CAPITALS.

2. Please insert the number of shares registered in your name(s) to which this proxy relates. If no number is inserted, this form of proxy will be deemed to relate to all the shares in the Company registered in your name(s).

3. If any proxy other than the Chairman of the Extraordinary General Meeting is preferred, strike out the words 'THE CHAIRMAN OF THE EXTRAORDINARY GENERAL MEETING' and insert the name and address of the proxy desired in the space provided. A member may appoint one or more proxies to attend and vote in his stead. ANY ALTERATION MADE TO THIS FORM OF PROXY MUST BE INITIALLED BY THE PERSON WHO SIGNS IT.

4. IMPORTANT: IF YOU WISH TO VOTE FOR THE RESOLUTIONS, TICK THE APPROPRIATE BOXES MARKED 'FOR'. IF YOU WISH TO VOTE AGAINST THE RESOLUTIONS, TICK THE APPROPRIATE BOXES MARKED `AGAINST'. Failure to complete any or all the boxes will entitle your proxy to cast his votes at his discretion. Your proxy will also be entitled to vote at his discretion on any resolution properly put to the Meeting other than those referred to in the Notice of the Extraordinary General Meeting.

5. This form of proxy must be signed by you or your attorney duly

authorised in writing or, in the case of a corporation, must be either executed under its common seal or under the hand of an officer or attorney or other person duly authorised to sign the same.

6. In the case of joint holders of any shares, any one of such joint holders may vote at the Meeting, either personally or by proxy, in respect of such shares as if he were solely entitled thereto. However, if more than one of such joint holders is present at the Meeting, either personally or by proxy, the vote of the joint holder whose name stands first in the Register of Members and who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holder(s).

7. To be valid, this form of proxy together with the power of attorney (if any) or other authority under which it is signed (if any) or a notarially certified copy thereof, must be deposited at the registered office of the Company at Room 6701, The Center, 99 Queen's Road Central, Hong Kong not less than 48 hours before the time for holding the Meeting or any adjournment thereof (as the case may be).

8. The proxy need not be a member of the Company but must attend the Meeting in person to represent you.

9. Completion and delivery of the form of proxy will not preclude you from attending and voting at the Meeting if you so wish. In such event, the instrument appointing a proxy shall be deemed to be revoked.