
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect about 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 adviser.

If you have sold or otherwise **transferred** all your shares in Poly (Hong Kong) Investments Limited, you should at once hand this circular and the form of proxy to the purchaser(s) or the transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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.



保利（香港）投資有限公司 Poly (Hong Kong) Investments Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 119)

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

A notice convening an annual general meeting of Poly (Hong Kong) Investments Limited to be held at Aberdeen Room, Level 3, J.W. Marriott Hotel, 88 Queensway, Hong Kong on 1st June, 2005 at 11:00 a.m. is set out in pages 3 to 5 of the 2004 Annual Report of the Company. Whether or not you intend to attend and vote at the Annual General Meeting in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for holding of such meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjourned meeting should you so wish.

29th April, 2005

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	
Introduction	3
General Mandate to Issue and Repurchase Shares	3
Annual General Meeting	4
Right to Demand a Poll	4
Responsibility Statement	4
Recommendation	5
Appendix – Explanatory Statement	6

DEFINITIONS

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

“Annual General Meeting”	the 2005 annual general meeting of the Company to be held at Aberdeen Room, Level 3, J.W. Marriott Hotel, 88 Queensway, Hong Kong on 1st June, 2005 at 11:00 a.m.
“Annual Report”	the annual report of the Company in respect of the financial year ended 31st December, 2004
“associates”	has the same meaning as ascribed in the Listing Rules
“Board”	the Board of Directors
“Company”	Poly (Hong Kong) Investments Limited, a company incorporated in Hong Kong with limited liability and whose shares are listed on the Stock Exchange
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of The People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Issue Mandate”	the general mandate to issue Shares of the Company to be granted to the Directors at the Annual General Meeting
“Latest Practicable Date”	25th April, 2005, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Repurchase Mandate”	the general mandate to repurchase Shares of the Company to be granted to the Directors at the Annual General Meeting
“Ringo”	Ringo Trading Limited, a company incorporated in Hong Kong with limited liability and being the substantial shareholder of the Company

DEFINITIONS

“Share(s)”	share(s) of HK\$0.50 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers

LETTER FROM THE BOARD



保利（香港）投資有限公司 Poly (Hong Kong) Investments Limited

(Incorporated in Hong Kong with limited liability)

Directors:

WANG Jun (*Chairman*)

HE Ping (*Vice-Chairman*)

LI Shi Liang (*Managing Director*)

CHEN Hong Sheng

William CHAN Tak Chi

Robert IP Chun Chung (*Non-Executive Director*)

YAO Kang (*Independent Non-Executive Director*)

LAM Tak Shing (*Independent Non-Executive Director*)

CHOY Shu Kwan, Wilson (*Independent Non-Executive Director*)

Registered Office:

Room 2503

Admiralty Centre

Tower 1

18 Harcourt Road

Hong Kong

29th April, 2005

To the Shareholders

Dear Sir or Madam,

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

INTRODUCTION

It was proposed that at the Annual General Meeting of the Company to be held on 1st June, 2005, resolutions will be proposed to approve (i) the grant of the Issue Mandate to the Directors; and (ii) the grant of the Repurchase Mandate to the Directors.

The purpose of this circular is to provide you with all the information reasonably necessary to enable you to make an informed decision on whether to vote for and against the proposed resolutions at the Annual General Meeting.

GENERAL MANDATE TO ISSUE AND REPURCHASE SHARES

At the 2004 annual general meeting of the Company held on 31st May, 2004, ordinary resolutions were passed granting to the Directors the general mandates to issue and repurchase Shares of the Company. These general mandates will lapse upon the conclusion of the Annual General Meeting of the Company. It was therefore proposed that ordinary resolutions be proposed at the Annual General Meeting to grant to the Directors the Issue Mandate and the Repurchase Mandate.

LETTER FROM THE BOARD

In accordance with the Listing Rules, the Company is required to send to the Shareholders an explanatory statement containing all information reasonably necessary to enable them to make an informed decision on whether to vote for or against the ordinary resolutions to renew the grant of the Issue Mandate and the Repurchase Mandate. Such explanatory statement is set out in the Appendix to this circular.

ANNUAL GENERAL MEETING

Forming part of the Annual Report is the notice of the Annual General Meeting. At the Annual General Meeting, and as part of the special businesses of the Annual General Meeting, ordinary resolutions will be proposed to approve (i) the grant of the Issue Mandate to the Directors; and (ii) the grant of the Repurchase Mandate to the Directors.

Whether or not you intend to attend the Annual General Meeting, you are requested to complete and return the form of proxy accompanying the Annual Report and this circular in accordance with the instructions printed thereon not less than 48 hours before the time appointed for holding the Annual General Meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person if you so wish.

RIGHT TO DEMAND A POLL

Pursuant to Article 80 of the Articles of Association 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 results of the show of hands) demanded:

- (i) by the chairman; or
- (ii) by at least three members present in person or by proxy for the time being entitled to vote at the meeting; or
- (iii) by any member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (iv) by a member or members present in person or 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.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts not contained in this circular the omission of which would make any statement in this circular misleading.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors believe that (i) the grant of the Issue Mandate to the Directors; and (ii) the grant of the Repurchase Mandate to the Directors are all in the best interest of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all the Shareholders should vote in favour of all the relevant resolutions to be proposed at the Annual General Meeting as set out in the notice of Annual General Meeting.

By Order of the Board

LI Shi Liang

Managing Director

This Appendix serves as an explanatory statement required by the Listing Rules to provide you with all the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolution in respect of the grant of the Repurchase Mandate.

LISTING RULES

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

(a) Shareholders' approval

All proposed repurchases of shares on the Stock Exchange by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of a general mandate or by specific approval.

(b) Source of funds

Repurchases of shares must be funded out of funds legally available for such purpose in accordance with the company's memorandum and articles of association and the laws of Hong Kong.

SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 895,598,200 Shares of HK\$0.50 each. Subject to the passing of the relevant resolution, the Company will be allowed to repurchase a maximum of 89,559,820 Shares on the assumption that there will be no change in the issued share capital prior to the Annual General Meeting.

REASONS FOR REPURCHASES

The Directors believe that it is in the best interest of the Company and its Shareholders to have general authority from Shareholders to enable the Directors to exercise the Company's powers to repurchase Shares of the Company on the Stock Exchange. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and its Shareholders.

FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available, being distributable profit of the Company or the proceeds of a fresh issue of ordinary Shares of the Company made for such purpose in accordance with its memorandum and articles of association and the laws of Hong Kong.

There might be material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the Annual Report for the year ended 31st December, 2004) in the event that the proposed repurchases were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate 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 which in the opinion of the Directors are from time to time appropriate for the Company.

DISCLOSURE OF INTERESTS

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

No connected person of the Company (as defined in the Listing Rules) has notified the Company that he/she has a present intention to sell any Shares to the Company or he/she has undertaken not to sell any of the Shares held by him/her to the Company, in the event that the Company is authorised to exercise the Repurchase Mandate.

UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to make repurchases pursuant to the proposed resolution in accordance with the Listing Rules and the applicable laws of Hong Kong.

EFFECT OF THE TAKEOVER CODE

If as a 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 Rule 32 of the Takeovers Code. In certain circumstances, a shareholder or a group of shareholders acting in concert could as a result of such increase obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, Ringo beneficially owned 539,905,036 Shares, representing approximately 60.28% of the total issued share capital of the Company. Ringo is ultimately beneficially owned by China Poly Group Corporation which is a state-owned enterprise established in The People's Republic of China. In the event that the Directors exercise in full the power to repurchase the Shares, the shareholdings of Ringo would be increased to about 66.98%. The Company would comply in full with the obligations to make a mandatory offer (if any) in accordance with Rules 26 and 32 of the Takeovers Code. The Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any purchase made under the Repurchase Mandate and the Directors have no present intention to exercise the power to repurchase Shares to the extent that it would affect the public float of the Shares.

SHARE REPURCHASES MADE BY THE COMPANY

No repurchase of Shares has been made by the Company or any of its subsidiaries on the Stock Exchange in the six months preceding the Latest Practicable Date.

SHARE PRICES

The highest and lowest prices at which the Shares of the Company were traded on the Stock Exchange during each of the previous 12 months were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2004		
April	1.60	1.53
May	1.52	1.30
June	1.40	1.26
July	1.40	1.27
August	1.27	1.12
September	1.43	1.19
October	1.46	1.37
November	1.64	1.42
December	1.58	1.43
2005		
January	1.70	1.46
February	1.70	1.61
March	1.61	1.49