
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in LeRoi Holdings Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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LeRoi Holdings Limited
利來控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 221)

**PROPOSED RE-ELECTION OF DIRECTORS,
PROPOSED AMENDMENTS TO THE ARTICLES
OF ASSOCIATION OF THE COMPANY
AND
GENERAL MANDATES TO REPURCHASE SHARES
AND TO ISSUE NEW SHARES OF THE COMPANY**

A notice convening the annual general meeting of LeRoi Holdings Limited to be held at Meeting Room, 8/F., Royal Plaza Hotel, 193 Prince Edward Road West, Kowloon, Hong Kong on Monday, 29 August 2005 at 3:30 p.m. is set out on pages 15 to 18 of this circular. A form of proxy for use at the annual general meeting is also enclosed. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited (www.hkex.com.hk).

If you do not propose to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to the Company's Branch Share Registrar in Hong Kong, Tengis Limited, at G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the meeting should they so wish.

29 July 2005

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DEFINITIONS

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

“Annual General Meeting”	an annual general meeting of the Company to be held at Meeting Room, 8/F., Royal Plaza Hotel, 193 Prince Edward Road West, Kowloon, Hong Kong on Monday, 29 August 2005 at 3:30 p.m. to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 15 to 18 of this circular or any adjournment thereof;
“Board”	the board of Directors;
“Buyback Mandate”	as defined in paragraph 4(a) of the Letter from the Board;
“Company”	LeRoi Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange;
“Current Articles of Association”	the current articles of association of the Company;
“Director(s)”	director(s) of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China;
“Issuance Mandate”	as defined in paragraph 4(b) of the Letter from the Board;
“Latest Practicable Date”	27 July 2005, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;

DEFINITIONS

“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company;
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers;
“HK\$”	Hong Kong dollars.

LETTER FROM THE BOARD



LeRoi Holdings Limited

利來控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Executive Directors:

Hung Man Sing (*Chairman*)
Yeung Sau Han, Agnes
Ng Cheuk Fan, Keith
Lim Kwok Choi

Independent Non-Executive Directors:

Lok Shing Kwan, Sunny
Chiang Chi Kin, Stephen
Chan Kin Sang

Registered Office:

Century Yard
Cricket Square
Hutchins Drive
P.O. Box 2681 GT
George Town
Grand Cayman
British West Indies

Principal Place of Business:

Unit 2706-07, 27th Floor
Laws Commercial Plaza
788 Cheung Sha Wan Road
Kowloon
Hong Kong

29 July 2005

To shareholders

Dear Sir/Madam,

**PROPOSED RE-ELECTION OF DIRECTORS,
PROPOSED AMENDMENTS TO THE ARTICLES
OF ASSOCIATION OF THE COMPANY
AND
GENERAL MANDATES TO REPURCHASE SHARES
AND TO ISSUE NEW SHARES OF THE COMPANY**

1. INTRODUCTION

The purpose of this circular is to provide you with information in respect of the resolutions to be proposed at the Annual General Meeting for (i) the re-election of Directors retiring at the Annual General Meeting; (ii) the proposed amendments to the Current Articles of Association; (iii) the granting of the Buyback Mandate to the Directors; (iv) the granting of

LETTER FROM THE BOARD

the Issuance Mandate to the Directors; and (v) the extension of the Issuance Mandate by adding to it the aggregate number of the issued Shares repurchased by the Company under the Buyback Mandate.

2. RE-ELECTION OF DIRECTORS

Pursuant to Article 87 of the Current Articles of Association, at each annual general meeting, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest one-third, shall retire from office. The Directors to retire in every year shall be those who have been longest in office since their last election or appointment but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

Pursuant to Article 86(3) of the Current Articles of Association, the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election, but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting.

Pursuant to Article 87 of the Current Articles of Association, Ms Yeung Sau Han, Agnes shall retire at the Annual General Meeting. In addition, Mr Hung Man Sing and Mr Chan Kin Sang, being Directors appointed by the Directors after the Company's annual general meeting held on 26 November 2004, will hold office only until the Annual General Meeting pursuant to Article 86(3) of the Current Articles of Association. All the retiring Directors, being eligible will offer themselves for re-election.

Brief biographical details of the retiring Directors are set out in Appendix III of this circular.

3. PROPOSED AMENDMENTS TO THE CURRENT ARTICLES OF ASSOCIATION

In relation to the replacement of the Code of Best Practice in Appendix 14 in the Listing Rules by a new code on Corporate Governance Practices ("Corporate Governance Code") and the addition of a new Appendix 23 on the requirement for a Corporate Governance Report to be included in annual reports of listed issuers, the Company has reviewed its corporate governance practices with reference to the provisions of the Corporate Governance Code and the Current Articles of Association and considers that it is necessary to bring the Current Articles of Association in line with the amended Listing Rules, in particular, paragraph A.4.2 of Appendix 14 which recommends that (a) every Director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years; and (b) all Directors appointed to fill a casual vacancy should be subject to election by Shareholders at the first general meeting after their appointment.

LETTER FROM THE BOARD

The proposed amendments to the Current Articles of Association are stated in the proposed special resolution no. 4 in the notice convening the Annual General Meeting as set out on pages 15 to 18 of this circular. A copy of the Current Articles of Association will be available for inspection at the Company's principal place of business in Hong Kong at Unit 2706-07, 27/F, Laws Commercial Plaza, 788 Cheung Sha Wan Road, Kowloon, Hong Kong during normal business hours from the date hereof up to and including the date of the Annual General Meeting.

4. BUYBACK AND ISSUANCE MANDATES

Ordinary resolutions will be proposed at the Annual General Meeting to approve the grant of new general mandates to the Directors:

- (a) to purchase Shares on the Stock Exchange of an aggregate nominal amount of up to ten per cent. of the aggregate nominal amount of the issued share capital of the Company on the date of passing such resolution ("Buyback Mandate");
- (b) to issue, allot and deal with Shares of an aggregate nominal amount of up to twenty per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of passing such resolution ("Issuance Mandate"); and
- (c) to extend the Issuance Mandate by an amount representing the aggregate nominal amount of the Shares repurchased by the Company pursuant to and in accordance with the Buyback Mandate.

The Buyback Mandate and the Issuance Mandate will continue in force until the conclusion of the next annual general meeting of the Company or any earlier date as referred to in resolutions numbered 5 and 6 set out in the notice of the Annual General Meeting.

In accordance with the requirements of the Listing Rules, the Company is required to send to the Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the grant of the Buyback Mandate. An explanatory statement as required by the Listing Rules in connection with the Buyback Mandate is set out in Appendix I to this circular.

5. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages 15 to 18 of this circular. At the Annual General Meeting, resolutions will be proposed to approve, inter alia, the re-election of Directors, the amendments to the Current Articles of Association, the granting of the Buyback Mandate and the Issuance Mandate and the extension of the Issuance Mandate by the addition thereto of the number of Shares repurchased pursuant to the Buyback Mandate.

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A form of proxy for use at the Annual General Meeting is also enclosed with this circular and such form of proxy is also published on the website of the Stock Exchange (www.hkex.com.hk). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority at the Company's Branch Share Registrar in Hong Kong, Tengis Limited at G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and delivery of the form of proxy will not preclude Shareholders from attending and voting at the Annual General Meeting if they so wish.

6. RECOMMENDATION

The Directors consider that the proposed re-election of Directors, the amendments to the Current Articles of Association, the granting of the Buyback Mandate and the granting/extension of the Issuance Mandate are in the interests of the Company and the Group and the Shareholders. Accordingly, the Directors recommend Shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

7. GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendix I (Explanatory statement on the Buyback Mandate), Appendix II (Procedure by which the Shareholders may demand a poll at a general meeting pursuant to the Current Articles of Association) and Appendix III (Details of Directors proposed to be re-elected at the Annual General Meeting) to this circular.

Yours faithfully,
Hung Man Sing
Chairman of the Board

APPENDIX I EXPLANATORY STATEMENT ON THE BUYBACK MANDATE

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to you for your consideration of the Buyback Mandate.

1. REASONS FOR SHARE BUYBACK

The Directors believe that the proposed granting of the Buyback Mandate is in the interests of the Company and the Shareholders.

Repurchases may, depending on market conditions and funding arrangements at the time, result in an enhancement of the net assets and/or earnings per Share. The Directors are seeking the granting of the Buyback Mandate to give the Company the flexibility to do so if and when appropriate. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time, having regard to the circumstances then pertaining.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 809,600,000 Shares.

Subject to the passing of the ordinary resolution no.5 set out in the notice of the Annual General Meeting in respect of the granting of the Buyback Mandate and on the basis that no Shares are issued or repurchased by the Company prior to the Annual General Meeting, the Company would be allowed under the Buyback Mandate to repurchase a maximum of 80,960,000 Shares (representing 10 per cent. of the Shares in issue as at the date of the Annual General Meeting) during the period in which the Buyback Mandate remains in force.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum and articles of association, the laws of the Cayman Islands and other applicable laws.

The Company is empowered by its memorandum and articles of association to repurchase its Shares. The laws of the Cayman Islands provide that the amount of capital paid in connection with a share repurchase may only be paid out of either the profits of the company or out the proceeds of a fresh issue of shares made for such purpose or, if so authorised by its articles of association and subject to the provisions of the Cayman Islands laws, out of capital. The amount of premium payable on repurchase may be paid out of profits of the company or out of the share premium account of the company, or, if so authorised by its articles of association and subject to the provisions of the Cayman Islands laws, out of capital before the shares are repurchased.

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 of the Company for the year ended 31 March 2005) in the event that the Buyback Mandate was to be carried out in full at any time during the proposed repurchase period. 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 of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

4. GENERAL

None of the Directors or, to the best of their knowledge and having made all reasonable enquiries, any of their respective associates, have any present intention to sell any Shares to the Company or its subsidiaries in the event that the granting of the Buyback Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the Buyback Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

No connected person has notified the Company that he has a present intention to sell Shares to the Company, or has undertaken not to do so in the event that the granting of the Buyback Mandate is approved by the Shareholders.

If, on the exercise of the power to repurchase Shares pursuant to the Buyback Mandate, 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 Takeovers Code. As a result, a Shareholder, or group of Shareholders acting in concert, 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 for all Shares not already owned by such Shareholder or group of Shareholders.

As at the Latest Practicable Date, Taco Holdings Limited, the substantial Shareholder of the Company, was interested in 424,024,000 Shares, representing 52.37% of the total issued Shares of the Company. On the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, in the event that the Directors exercise in full the power to repurchase Shares pursuant to the Buyback Mandate, the shareholdings of Taco Holdings Limited in the Company would be increased to approximately 58.19% of the total issued share capital of the Company. The Directors are not aware of any consequences which will arise under the Takeovers Code as a consequence of any repurchases pursuant to the Buyback Mandate.

APPENDIX I EXPLANATORY STATEMENT ON THE BUYBACK MANDATE

6. MARKET PRICES OF SHARES

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

Month	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2004		
July	—	—
August	—	—
September	—	—
October	—	—
November	—	—
December	—	—
2005		
January	—	—
February	—	—
March	—	—
April	—	—
May	—	—
June	—	—

At the request of the Company, trading in Shares has been suspended since 9:30 a.m. on 27 February 2004.

7. SHARE REPURCHASES MADE BY THE COMPANY

No repurchase of Shares has been made by the Company during the six months (whether on the Stock Exchange or otherwise) preceding the date of this circular.

The following paragraphs set out the procedure by which the Shareholders may demand a poll at a general meeting of the Company (including the Annual General Meeting) pursuant to the Current Articles of Association.

According to article 66 of the Current Articles of Association, at any general meeting 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 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 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 Shares conferring that right.

Pursuant to the Listing Rules, the details of the Directors who will retire at the Annual General Meeting according to the Current Articles of Association and will be proposed to be re-elected at the Annual General Meeting are provided below.

(1) Mr HUNG Man Sing, aged 51, an executive Director and Chairman

Experience

Mr Hung Man Sing, aged 51, has been an Independent Non-executive Director since 22 March 2005 and has been an executive Director since 6 May 2005. Mr Hung has over 20 years of experience in the garment industry. Mr Hung is the product & logistic consultant of Shenzhen Apparel Research & Development Center and Guangdong Association of Garment and Garment Article Industry. Mr Hung is also a director or a consultant of a number of fashion related companies. Save as disclosed, Mr Hung did not hold any directorship in other listed public companies in the last three years.

Length of service and emoluments

Mr Hung has not entered into any service contract with the Company as an executive Director and there is no designated length of service, but is subject to retirement by rotation at least once every three years in accordance with the articles of association of the Company. His remuneration is based on a monthly salary of HK\$50,000 which is determined by the Board with reference to his duties and responsibility. The period of termination notice to the Company shall be three months or payment of salary of three months in lieu of such notice.

Relationships

Other than the aforesaid relationships and the relationship arising from his being an executive Director and chairman, Mr Hung does not have any relationships with any other Directors, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Company.

Interests in Shares

As at the Latest Practicable Date, Mr Hung was not interested or deemed to be interested in any Shares or underlying Shares of the Company pursuant to Part XV of the SFO.

There are no other matters which need to be brought to the attention of the Shareholders.

(2) Ms YEUNG Sau Han, Agnes, aged 39, an executive Director*Experience*

Ms Yeung Sau Han, Agnes, aged 39, has been an executive Director since 31 July 2002 and design Director of the Company. Ms Yeung graduated from the Hong Kong Polytechnic (now the Hong Kong Polytechnic University) with a higher diploma in fashion design. Before joining the Group in 1998, Ms Yeung worked in various garment companies for 10 years. Ms Yeung is responsible for the design affairs of the Group. Save as disclosed, Ms Yeung did not hold any directorship in other listed public companies in the last three years.

Length of service and emoluments

A service contract has been entered into between Ms Yeung and the Company in respect of Ms Yeung's appointment for three years commencing from October 2002. Ms Yeung is subject to retirement by rotation at least once every three years in accordance with the articles of association of the Company. Ms Yeung is entitled to receive a monthly fee of HK\$45,000 payable in arrears on a monthly basis which is determined by the Board with reference to her experience, performance and duties. The period of termination notice to the Company shall be three months or payment of salary of three months in lieu of such notice.

Relationships

Other than being the sister-in-law of Mr So Chi Hiu, a substantial shareholder (as defined in the Listing Rules) of the Company, the aforesaid relationships and the relationship arising from her being an executive Director, Ms Yeung does not have any relationships with any other Directors, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Company.

Interests in Shares

As at the Latest Practicable Date, Ms Yeung was not interested or deemed to be interested in any Shares or underlying Shares of the Company pursuant to Part XV of the SFO.

There are no other matters which need to be brought to the attention of the Shareholders.

(3) Mr CHAN Kin Sang, aged 53, an independent non-executive Director*Experience*

Mr Chan Kin Sang, aged 53, has been an independent non-executive Director since 6 May 2005. Mr Chan is currently a partner of Messrs. Peter K.S. Chan & Co., Solicitors and Notaries. Mr Chan has been a practising solicitor in Hong Kong since 1982. Mr Chan graduated from the University of Hong Kong with a Bachelor of Laws degree in 1979. Mr Chan was admitted as a Notary Public in 1997 and as a China-appointed Attesting Officer in 2000. Mr Chan is currently a Fellow of the Hong Kong Institute of Directors.

Mr Chan is currently an independent non-executive director of two Singapore listed companies, namely Sunray Holdings Limited, CHT (Holdings) Limited and three Hong Kong listed companies, namely Everbest Century Holdings Limited, China Force Oil & Grains Industrial Holdings Co. Limited and Golding Soft Limited. Mr Chan is also an independent non-executive director of People's Food Holdings Limited, which is listed in both Hong Kong and Singapore. Mr Chan was formerly an independent non-executive director of Earnest Investments Holdings Limited and an executive director of Massive Resources International Corporation Limited. Save as disclosed, Mr Chan did not hold any directorship in other listed public companies in the last three years.

Length of service and emoluments

There is no service contract entered into between the Company and Mr Chan. Mr Chan is appointed for one year and is subject to retirement by rotation at least once every three years in accordance with the articles of association of the Company. The amount of emoluments for Mr Chan is HK\$10,000 per month, which is determined by the Board with reference to his duties and responsibility. Save as disclosed herein, there are no other benefit provided to Mr Chan for his directorship in the Company. The period of termination notice to the Company shall be three months or payment of salary of three months in lieu of such notice.

Relationships

Other than the aforesaid relationships and the relationship arising from his being an independent non-executive Director, Mr Chan does not have any relationships with any other Directors, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Company.

Interests in Shares

As at the Latest Practicable Date, Mr Chan was not interested or deemed to be interested in any Shares or underlying Shares of the Company pursuant to Part XV of the SFO.

There are no other matters which need to be brought to the attention of the Shareholders.

NOTICE OF THE ANNUAL GENERAL MEETING



LeRoi Holdings Limited

利來控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 221)

NOTICE IS HEREBY GIVEN that an Annual General Meeting of LeRoi Holdings Limited (the “Company”) will be held at Meeting Room, 8/F., Royal Plaza Hotel, 193 Prince Edward Road West, Kowloon, Hong Kong on Monday, 29 August 2005 at 3:30 p.m. for the following purposes:

1. To receive and consider the Audited Consolidated Financial Statements and the Reports of the Directors and of the Auditors for the year ended 31 March 2005;
2. To re-elect Directors and authorise the Board of Directors to fix Directors’ remuneration;
3. To re-appoint Auditors and authorise the Board of Directors to fix Auditors’ remuneration;
4. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as a special resolution:

“**THAT** the Articles of Association of the Company be and are hereby amended in the following manner:–

- (a) By deleting the existing Article 86. (3) in its entirety and substituting therefor the following new Article 86. (3):

The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. All Directors appointed to fill a casual vacancy should be subject to election by Members at the first general meeting after their appointment. Any other Director so appointed by the Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.;

NOTICE OF THE ANNUAL GENERAL MEETING

- (b) By deleting the existing Article 87. (1) in its entirety and substituting therefor the following new Article 87. (1):

Notwithstanding any other provisions in the Articles, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation such that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years.;

and **that** the directors be and are hereby authorised to do all acts, deeds and things as they shall, in their absolute discretion, deem fit in order to complete the foregoing.”;

5. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT

- (a) the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to purchase its shares, subject to and in accordance with the applicable laws, be and is hereby generally and unconditionally approved;
- (b) the total nominal amount of shares of the Company to be purchased pursuant to the approval in paragraph (a) above shall not exceed 10% of the total 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
- (c) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the revocation or variation of the authority given under this resolution by ordinary resolution passed by the Company’s shareholders in general meetings; or
 - (iii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held.”;

NOTICE OF THE ANNUAL GENERAL MEETING

6. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT

- (a) the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to issue, allot and deal with additional shares of the Company and to make or grant offers, agreements and options which would or might require shares to be allotted, issued or dealt with during or after the end of the Relevant Period (as defined below), be and is hereby generally and unconditionally approved, provided that, otherwise than pursuant to (i) a rights issue where shares are offered to shareholders on a fixed record date in proportion to their then holdings of shares (subject to such exclusions or other arrangements as the Directors 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 recognised regulatory body or any stock exchange in any territory outside Hong Kong) or (ii) any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries and/or any eligible grantee pursuant to the scheme of shares or rights to acquire shares of the Company, or (iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company, the total nominal amount of additional shares to be issued, allotted, dealt with or agreed conditionally or unconditionally to be issued, allotted or dealt with shall not in total exceed 20% of the total 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
- (b) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the revocation or variation of the authority given under this resolution by ordinary resolution passed by the Company’s shareholders in general meetings; or
 - (iii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held.”; and

NOTICE OF THE ANNUAL GENERAL MEETING

7. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** the general mandate granted to the Directors of the Company pursuant to resolution numbered 6 above and for the time being in force to exercise the powers of the Company to allot shares and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby extended by the total nominal amount of shares in the capital of the Company repurchased by the Company pursuant to the exercise by the Directors of the Company of the powers of the Company to purchase such shares since the granting of such general mandate referred to in the above resolution numbered 5 provided that such amount shall not exceed 10% of the total nominal amount of the share capital of the Company in issue as at the date of passing of this resolution.”.

On behalf of the Board
Hung Man Sing
Chairman

Hong Kong, 28 July 2005

Notes:

1. A member of the Company who is entitled to attend and vote at the Meeting convened by the above notice is entitled to appoint a proxy to attend and vote on his behalf. A proxy need not be a member of the Company but must attend in person to represent the member. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. In order to be valid, the form of proxy together with any power of attorney or other authority under which it is signed or a certified copy of such power of authority, must be deposited with the Company's Branch Share Registrar in Hong Kong, Tengis Limited at G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time for holding the Meeting, or any adjournment thereof. Delivery of the form of proxy shall not preclude a member of the Company from attending and voting in person at the meeting and in such event, the instrument appointing a proxy shall be deemed to be revoked.
3. The Register of Members of the Company will be closed from 23 August 2005 to 29 August 2005 both days inclusive, during which period no transfer of shares will be effected. In order to qualify for attending the Meeting convened by the above notice, all transfers accompanied by the relevant share certificate and transfer forms must be lodged with the Company's Branch Share Registrar in Hong Kong, Tengis Limited, at G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not later than 4:30 p.m. on 22 August 2005.
4. In relation to the ordinary resolutions nos. 5 to 7 set out in the above notice, the Directors wish to state that they have no immediate plan to issue any new shares or repurchase any existing shares of the Company.

As at the date of this notice, Mr Hung Man Sing, Ms Yeung Sau Han, Agnes, Mr Ng Cheuk Fan, Keith and Mr Lim Kwok Choi are the executive directors of the Company, and Mr Lok Shing Kwan, Sunny, Mr Chiang Chi Kin, Stephen and Mr Chan Kin Sang are the independent non-executive directors of the Company.