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**If you have sold or transferred** all your shares in Hang Ten Group 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, licensed securities dealer or other agent through whom the sale or the transfer was effected for transmission to the purchaser or transferee.



## **HANG TEN GROUP HOLDINGS LIMITED**

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 448)**

*Executive Directors:*

Chan Wing Sun  
Kenneth Hung  
Wang Li Wen  
Kao Yu Chu

*Registered Office:*

Clarendon House  
2 Church Street  
Hamilton, HM11  
Bermuda

*Independent Non-executive Directors:*

Kwong Chi Keung  
So Hon Cheung  
Cheung Yat Hung Alton

*Principal Office in Hong Kong:*

Room 912, 9th Floor  
Stanhope House  
734 King's Road  
Quarry Bay  
Hong Kong

25 July 2005

*To all the shareholders of the Company*

Dear Sir/Madam,

**PROPOSED GRANT OF GENERAL MANDATE  
TO REPURCHASE AND ISSUE SHARES,  
AMENDMENTS TO BYE-LAWS OF THE COMPANY,  
AND  
RE-ELECTION OF DIRECTORS**

### **INTRODUCTION**

The primary purpose of this circular is to provide you with information regarding the resolutions to be proposed at the annual general meeting (the "Annual General Meeting") of Hang Ten Group Holdings Limited (the "Company") to be held at Harbour Plaza Room, Basement 1, Harbour Plaza Hotel, 665 King's Road, North Point, Hong Kong on Friday, 16 September 2005 at 3:00 p.m. and to give you notice of the Annual General Meeting. Resolutions to be proposed at the Annual General Meeting include, inter alia, ordinary resolutions and a special resolution relating to (1) the Issue Mandate (as hereinafter defined); (2) the Repurchase Mandate (as hereinafter defined); (3) the re-election of directors of the Company ("Directors"); and (4) the amendments to the Bye-laws of the Company (the "Bye-laws").

## **GENERAL MANDATE TO ISSUE SHARES**

At the Annual General Meeting, an ordinary resolution will be proposed that the Directors be granted a general and unconditional mandate to allot, issue and deal with new ordinary shares of the Company (“Shares”) up to 20% of the aggregate nominal share capital of the Company in issue as at the date of passing of the relevant resolution (the “Issue Mandate”). As at the Latest Practicable Date, a total of 780,650,000 Shares were in issue. Subject to the passing of the proposed resolution granting the Issue Mandate to the Directors and on the basis that no further shares will be issued or repurchased by the Company prior to the Annual General Meeting, the Company will be allowed under the Issue Mandate to issue a maximum of 156,130,000 Shares.

## **GENERAL MANDATE TO REPURCHASE SHARES**

At the Annual General Meeting, an ordinary resolution will be proposed that the Directors be granted a general and unconditional mandate to exercise all the powers of the Company to repurchase issued Shares up to 10% in aggregate of the Company’s issued share capital at the date of passing of the resolution (the “Repurchase Mandate”) 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 “Repurchase Period”). This will allow the Company to repurchase its own shares, inter alia, on-market in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”).

## **SHARE CAPITAL**

As at 22 July 2005, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular (the “Latest Practicable Date”), the issued share capital of the Company comprised 780,650,000 Shares. Subject to the granting of the Repurchase Mandate, on the basis that no further Shares are issued or repurchased on or before 16 September 2005, being the date of the Annual General Meeting, the Company would be allowed under the Repurchase Mandate to purchase up to a maximum of 78,065,000 Shares, representing 10% of the issued share capital of the Company.

## **REASONS FOR REPURCHASE**

Repurchases of the Shares will only be made if the Directors believe that such repurchases will benefit the Company and its shareholders. Such repurchase may, depending on market conditions and funding arrangements at the time, lead to enhancement of the net value of the Company and/or its earnings per Share.

## **FUNDING OF REPURCHASE**

Pursuant to the Repurchase 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 the Bye-laws, the Listing Rules and the applicable laws of Bermuda. On the basis of the consolidated financial position of the Company as at 31 March 2004 (being the date to which the latest published audited financial statements of the Company have been made up), the Directors consider that there might be a material adverse impact on the working capital or gearing position of the Company (as compared with the

position disclosed in this document) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such an 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.

## 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><br><i>HK\$</i> | <b>Lowest</b><br><i>HK\$</i> |
|---|-------------------------------|------------------------------|
| July 2004                                     | 1.40                          | 1.00                         |
| August 2004                                   | 1.30                          | 1.00                         |
| September 2004                                | 1.20                          | 1.00                         |
| October 2004                                  | 1.10                          | 1.00                         |
| November 2004                                 | 1.23                          | 0.88                         |
| December 2004                                 | 1.18                          | 1.04                         |
| January 2005                                  | 1.16                          | 0.99                         |
| February 2005                                 | 1.17                          | 1.01                         |
| March 2005                                    | 1.14                          | 1.01                         |
| April 2005                                    | 1.08                          | 1.01                         |
| May 2005                                      | 1.24                          | 1.02                         |
| June 2005                                     | 1.19                          | 1.10                         |
| July 2005 (up to the Latest Practicable Date) | 1.37                          | 1.09                         |

## SHARE REPURCHASE 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 shareholders' 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 "Takeovers 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 Takeovers Code.

As at the Latest Practicable Date, Asian Wide Services Limited, Kenneth Hung, Kung Ging Kong Dennis, Hung Pui Kee Peggy and Hung Chung Yee Pamela, who were acting in concert together held 412,486,000 Shares, representing approximately 52.84% of the issued share capital of the Company. In the event that the Repurchase Mandate is exercised in full and no further Shares are issued during the Repurchase Period, their percentage of shareholding would be increased to approximately 58.71% of the issued share capital of the Company. As at the Latest Practicable Date, YGM Trading Limited held 143,900,000 Shares, representing approximately 18.43% of the issued share capital of the Company. In the event that the Repurchase Mandate is exercised in full and no further Shares are issued during the Repurchase Period, their percentage of shareholding would be increased to approximately 20.48% of the issued share capital of the Company. The Directors are not aware of any consequences which

may arise under Rules 26 and 32 of the Takeovers Code. The Directors do not intend to exercise the Repurchase Mandate to an extent which would, in the circumstances, trigger any potential consequences under the Takeovers Code.

## **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 Repurchase Mandate is approved and exercised to sell any Shares to the Company.

The Directors have undertaken to the Stock Exchange that they will exercise the Repurchase Mandate in accordance with the Bye-Laws, the Listing Rules and the applicable laws of Bermuda.

No connected person (as defined in the Listing Rules) has notified the Company that he has a present intention to sell the Shares to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate is exercised.

## **AMENDMENTS TO THE BYE-LAWS**

At the Annual General Meeting, a special resolution will be proposed to amend the Bye-laws by:

- (i) by deleting the last sentence of the existing Bye-law 86(2) and substituting therefore the following new sentence:

“Any Director so appointed by the Board to fill a casual vacancy on the Board shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at that general meeting. Any Director so appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at that annual general meeting.”;

- (ii) by deleting the existing Bye-law 87(1) in its entirety and replacing with the following Bye-law 87(1):

“Subject to the manner of retirement by rotation of Directors as from time to time prescribed under the rules of the Designated Stock Exchange, and notwithstanding any contractual or other terms on which any Director may be appointed or engaged, 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. In addition, there shall also be required to retire by rotation any Director who at an annual general meeting of the Company (the “Forthcoming AGM”) shall have been a Director at each of the two preceding annual general meetings of the Company (the “Preceding AGMs”) and who was not subject to retirement at any of the Preceding AGMs or any other general meeting of the Company before the Forthcoming AGM and who has not otherwise ceased to be a Director (either by resignation, retirement, removal or otherwise), notwithstanding any other provisions in these Bye-Laws, and that the total number of Directors to retire at the Forthcoming AGM would as a result exceed one-third of the Directors for the time being.”.

## RE-ELECTION OF DIRECTORS

According to Bye-law 87, at each annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not greater than one-third), except the chairman of the Company and/or the managing director of the Company and any Directors appointed pursuant to Bye-law 86(2), are subject to retirement by rotation. A retiring director shall be eligible for re-election at the annual general meeting.

Ms. Wang Li Wen will retire from office at the Annual General Meeting by rotation pursuant to Bye-law 87(1) and, being eligible, will offer herself for re-election. Mr. Cheung Yat Hung Alton will retire from office at the Annual General Meeting pursuant to Bye-law 86(2) and being eligible, will offer himself for re-election.

**Ms. Wang Li Wen**, aged 52, joined the Group in 1993. She is the Chief Financial Officer of the Group's operation in Taiwan and has overall responsibility in the area of administration, finance, personnel and EDP development in Taiwan. She graduated from Tam Kang University in Taiwan with a bachelor degree in economics and has over 25 years of experience in the apparel retailing industry. Ms. Wang did not hold any directorship in any listed public company in Hong Kong in the last three years.

Ms. Wang Li Wen has entered into a service agreement with the Company for an indefinite term commencing from 1 January 2003 until terminated by not less than three month's notice in writing served by either party on the other pursuant to which Ms Wang Li Wen is entitled to a fixed remuneration of HK\$10,000 per year.

Ms. Wang Li Wen has also entered into a service agreement with Hang Ten Enterprises Limited, an indirect subsidiary of the Company, for an initial term of three years commencing from 1 April 2004 and continue automatically for one year thereafter, unless (i) Hang Ten Enterprises Limited gives notice in writing of its intention not to renew the agreement; or (ii) Hang Ten Enterprises Limited and the director fail to agree on the terms of the renewed agreement by the date falling three months before the expiry of the initial term of the agreement. Pursuant to the service agreement with Hang Ten Enterprises Limited, Ms Wang is entitled to a fixed remuneration at US\$7,000 (equivalent to approximately HK\$54,600) per month from 1 April 2004 to 31 March 2005, US\$7,500 (equivalent to approximately HK\$58,500) per month from 1 April 2005 to 31 March 2006 and US\$8,000 (equivalent to approximately HK\$62,400) per month from 1 April 2006 to 31 March 2007.

In addition, Ms. Wang Li Wen has entered into a service agreement with Hang Ten Enterprises Limited, Taiwan Branch to serve as assistant general manager of administration and finance for an initial term of three years commencing from 1 April 2004 and continue automatically for one year thereafter, unless (i) Hang Ten Enterprises Limited, Taiwan Branch gives notice in writing of its intention not to renew the agreement; or (ii) Hang Ten Enterprises Limited, Taiwan Branch and the director fail to agree on the terms of the renewed agreement by the date falling three months before the expiry of the initial term of the agreement. Pursuant to the service agreement with Hang Ten Enterprises Limited, Ms Wang is entitled to a fixed remuneration at NT\$2,500,000 (equivalent to approximately HK\$617,000) per annum, subject to yearly review and a bonus may be given on an annual basis subject to the discretion of the board of directors

As at the Latest Practicable Date, Ms. Wang is interested in 5,800,000 Shares, 32 convertible preference shares of HK\$10,000 each and 400,000 warrants of the Company. Ms. Wang is not related to any directors, senior management or substantial or controlling shareholders of the Company.

**Mr. Cheung Yat Hung Alton**, aged 42, graduated from the California College of Arts and Crafts, Berkeley with a bachelor degree in fine arts. Mr. Cheung has over 8 years' experience in trading and distribution business in China. Mr. Cheung currently holds directorships in a number of private companies engaging in automobile distribution in China. Mr. Cheung was appointed as an independent non-executive director of the Company in September 2004. Ms. Cheung did not hold any directorship in any listed public company in Hong Kong in the last three years.

Mr. Cheung Yat Hung Alton has entered into a service agreement with the Company for an initial term of one year commencing from 1 October 2004 which will continue thereafter for further successive periods of one year, provided that the Company may terminate the service agreement at any time by not less than one month's notice in writing. Pursuant to his service agreement, Mr. Cheung Yat Hung, Alton is entitled to a fixed remuneration of HK\$10,000 per month.

As at the Latest Practicable Date, Mr. Cheung is not interested in and does not hold any short positions in any shares or underlying shares in or any debentures of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers. Mr. Cheung is not related to any directors, senior management or substantial or controlling shareholders of the Company.

Save as disclosed herein, there is no other matter in relation to the re-election of directors of the Company that need to be brought to the attention of the Shareholders of the Company.

## **ACTION TO BE TAKEN**

At the Annual General Meeting, an ordinary resolution and a special resolution will be proposed to approve, among other matters, the following:

- (a) the grant of the Issue Mandate;
- (b) the grant of the Repurchase Mandate; and
- (c) the amendments to the Bye-laws.

A form of proxy for use at the Annual General Meeting is enclosed. Whether or not you are able to attend the Annual General meeting, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar, Standard Registrars Limited, Ground Floor, 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 Annual General Meeting or any

adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the Annual General Meeting or any adjournment thereof should you so wish.

## **PROCEDURES FOR DEMAND A POLL**

Pursuant to Bye-law 66, a resolution put to the vote of a general 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:

- (a) by the chairman of the meeting; or
- (b) by at least three Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorized representative) or by proxy for the time being entitled to vote at the general meeting; or
- (c) by a Shareholder or Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorized 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 general meeting; or
- (d) by a Shareholder or Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorized representative) or by proxy and holding shares in the Company conferring a right to vote at the general 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.

Unless a poll is duly demanded and the demand is not withdrawn, a declaration by the chairman of the general meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or not carried by a particular majority, or lost, and an entry to that effect made in the minute book of the Company, shall be conclusive evidence of the fact without proof of the number or proportional of the votes recorded for or against the resolution.

## **RECOMMENDATION**

The Directors consider that the proposed grant of the Issue Mandate, the Repurchase Mandate, the amendments to the Bye-laws and the re-election of Directors are in the best interests of the Company and the Shareholders and accordingly recommend that all Shareholders should vote in favour of the relevant ordinary resolution and special resolution to be proposed at the Annual General Meeting.

By order of the Board  
**Hang Ten Group Holdings Limited**  
**Chan Wing Sun**  
*Chairman*

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# NOTICE OF ANNUAL GENERAL MEETING

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## HANG TEN GROUP HOLDINGS LIMITED

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 448)**

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of the Company will be held at Harbour Plaza Room, Basement 1, Harbour Plaza Hotel, 665 King's Road, North Point Hong Kong on 16 September 2005 at 3:00 p.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements and the reports of the directors and auditors for the year ended 31 March 2005;
2. To approve and declare a final dividend for the year ended 31 March 2005;
3. To re-elect the retiring director and to authorize the board of directors to fix their remuneration and to fix the remuneration of any committees of directors;
4. To re-appoint auditors of the Company and to authorize the directors to fix their remuneration;
5. As special business, to consider and, if thought fit, passing with or without modification, the following resolution as an ordinary resolution of the Company:

**“THAT:**

- (a) subject to paragraph (c) below, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and otherwise deal with the unissued ordinary shares of HK\$0.10 each in the share capital of the Company (the “Shares”) or securities convertible into Shares, or options, warrants or similar rights to subscribe for any Shares, and to make or grant offers, agreements and options which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall be in addition to any other authorizations given to the Directors and shall authorize the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (c) the aggregate nominal amount of the share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
- (i) a Rights Issue (as hereinafter defined);
  - (ii) the exercise of rights of subscription or conversion under terms of any warrants issued by the Company or any securities which are convertible into Shares;
  - (iii) the exercise of any option granted under any share 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 of Shares or right to acquire Shares;
  - (iv) any scrip dividend or similar arrangements providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the bye-laws of the Company;

shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this Resolution and the said approval shall be limited accordingly;

- (d) subject to the passing of each of the paragraphs (a), (b) and (c) of this Resolution, any prior approvals of the kind referred to in paragraphs (a), (b) and (c) of this Resolution which had been granted to the Directors and which are still in effect be and are hereby revoked; and
- (e) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by applicable law of Bermuda or the bye-laws of the Company to be held; or
- (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders of the Company in general meeting;

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## NOTICE OF ANNUAL GENERAL MEETING

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“Rights Issue” means the allotment, issue or grant of Shares pursuant to an offer of Shares open for a period fixed by the Directors to holders of Shares or any class thereof on the register on a fixed record date in proportion to their then holdings of such Shares or class thereof (subject to such exclusion 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 recognized regulatory body or any stock exchange in any territory outside Hong Kong).”

6. As special business, to consider and if thought fit, pass the following resolution as an Ordinary Resolution:

**“THAT:**

- (A) subject to paragraph 6(C) below, the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to repurchase issued shares in the capital of the Company subject to and in accordance with all applicable laws be and is hereby generally and unconditionally approved;
- (B) the approval in paragraph 6(A) shall be in addition to any other authorisation given to the Directors of the Company;
- (C) the aggregate nominal amount of share capital purchased or agreed conditionally or unconditionally to be purchased by the Company pursuant to the approval in paragraph 6(A) during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this Resolution and the said approval shall be limited accordingly; and
- (D) for the purposes of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next Annual General Meeting of the Company;
- (ii) the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held; and
- (iii) the revocation or variation of this Resolution by an ordinary resolution of Shareholders of the Company in General Meeting.”

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## NOTICE OF ANNUAL GENERAL MEETING

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7. As special business, to consider and, if thought fit, pass the following resolution as an Ordinary Resolution:

“**THAT** conditional upon the passing of the Ordinary Resolutions as set out in paragraphs 5 and 6, the general mandate granted to the Directors of the Company pursuant to paragraph 5(a) shall be extended by the addition thereto of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted in paragraph 6, provided that such amount shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this Resolution.”

8. As special business, to consider and of thought fit, pass the following resolution as a special resolution of the Company:

“**THAT** the existing bye-laws of the Company be and they are hereby amended in the following manner:

- (i) by deleting the last sentence of the existing Bye-law 86(2) and substituting therefore the following new sentence:

“Any Director so appointed by the Board to fill a casual vacancy on the Board shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at that general meeting. Any Director so appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at that annual general meeting.”;

- (ii) by deleting the existing Bye-law 87(1) in its entirety and replacing with the following Bye-law 87(1):

“Subject to the manner of retirement by rotation of Directors as from time to time prescribed under the rules of the Designated Stock Exchange, and notwithstanding any contractual or other terms on which any Director may be appointed or engaged, 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. In addition, there shall also be required to retire by rotation any Director who at an annual general meeting of the Company (the “Forthcoming AGM”) shall have been a Director at each of the two preceding annual general meetings of the Company (the “Preceding AGMs”) and who was not subject to retirement at any of the Preceding AGMs or any other general meeting of the Company before the Forthcoming AGM and who has not otherwise ceased to be a Director (either by resignation, retirement, removal or otherwise), notwithstanding any other provisions in these Bye-Laws, and that the total number of Directors to retire at the Forthcoming AGM would as a result exceed one-third of the Directors for the time being.”.

By Order of the Board  
**Lee Kin Keung Lawrence**  
*Company Secretary*

Hong Kong, 25 July 2005

*As at the date of this notice, the executive Directors are Mr. Chan Wing Sun, Mr. Kenneth Hung, Ms. Wang Li Wen and Ms. Kao Yu Chu and the independent non-executive Directors are Mr. Kwong Chi Keung, Mr. So Hon Cheung and Mr. Cheung Yat Hung, Alton.*

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## NOTICE OF ANNUAL GENERAL MEETING

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*Notes:*

1. A member entitled to attend and vote at the above meeting may appoint one or more than one proxy to attend and to vote in his stead. A proxy need not be a member of the Company.
2. Where there are joint registered holders of any Share, any one such persons may vote at the meeting, either personally or by proxy, in respect of such Share as if he were solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such Shares shall alone be entitled to vote in respect thereof.
3. In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon together with the power of attorney or other authority, if any, under which it is signed or a certified copy thereof must be deposited at the branch share registrar of the Company in Hong Kong, Standard Registrars Limited at Ground Floor, 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 meeting or any adjournment thereof.
4. For the purpose of ascertaining entitlement to the final dividend, the register of members of the Company will be closed from 10 August 2005 to 12 August 2005, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the final dividend payable on or around 30 September 2005 to be approved at the meeting, all transfers accompanied by the relevant share certificates must be lodged with the branch share registrars of the Company in Hong Kong, Standard Registrars Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong for registration not later than 4:00 p.m. on 9 August 2005.
5. The register of member of the Company will also be closed on 16 September 2005, during which period no transfer of shares will be effected. In order to qualify for the right to attend and vote at the meeting, all transfers accompanied by the relevant share certificates must be lodged with the branch share registrars of the Company in Hong Kong, Standard Registrars Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong for registration not later than 4:00 p.m. on 15 September 2005.
6. With respect to Ordinary Resolution No. 5, the Directors wish to state that they have no immediate plans to issue any new shares of the Company. Approval is being sought from the members under Ordinary Resolution No. 5 as a general mandate for the purposes of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.