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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in World Houseware (Holdings) Limited, you should at once hand this circular, together with the enclosed form of proxy to the purchaser or other 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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WORLD HOUSEWARE (HOLDINGS) LIMITED

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 713)

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
AND
PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION**

A notice convening the annual general meeting of World Houseware (Holdings) Limited to be held at the Jade Room, 6th floor, The Marco Polo Hongkong Hotel, Harbour City, Kowloon, Hong Kong at 3:00 p.m. on Friday, 28 May 2004, is set out on pages 10 to 18 of this circular. Whether or not you intend to attend the meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time for holding the meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting at the annual general meeting or any adjourned meeting should you so wish.

29 April 2004

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DEFINITIONS

“Annual General Meeting”	the annual general meeting of the Company to be held at 3:00 p.m. on 28 May 2004 and any adjournment thereof
“associates”	has the same meaning as defined in the Listing Rules
“Board”	the board of Directors
“Articles of Association”	the articles of association of the Company
“Company”	World Houseware (Holdings) Limited, a company incorporated in Cayman Islands with limited liability, the securities of which are listed on the main board of the Stock Exchange
“Directors”	directors of the Company
“General Mandates”	the Share Issue Mandate and the Repurchase Mandate
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	27 April 2004, being the latest practicable date prior to the printing of this circular for ascertaining certain information included herein
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted at the Annual General Meeting to the Directors to exercise all the powers of the Company to repurchase Shares
“Share Issue Mandate”	a general and unconditional mandate proposed to be granted at the Annual General Meeting to the Directors to exercise all the powers of the Company to issue, allot and otherwise deal with new Shares
“Shares”	ordinary shares of HK\$0.10 each in the capital of the Company, and “Shareholders” shall be construed accordingly

DEFINITIONS

“Stock Exchange” The Stock Exchange of Hong Kong Limited

“Takeovers Code” Code on Takeovers and Mergers

“HK\$” and “cents” Hong Kong dollars and cents respectively

LETTER FROM THE BOARD



WORLD HOUSEWARE (HOLDINGS) LIMITED

(Incorporated in Cayman Islands with limited liability)

Executive Directors:

Mr. Lee Tat Hing (*Chairman and Managing Director*)
Ms. Fung Mei Po (*Vice Chairwoman*)
Mr. Lee Chun Sing (*Vice Chairman*)
Ms. Lai Lai Wah
Mr. Lee Pak Tung
Mr. Wat Kwing Cheung, Alexander

Registered office:

P.O. Box 309GT
Ugland House
South Church Street
George Town
Grand Cayman
Cayman Islands
British West Indies

Independent Non-executive Directors:

Mr. Cheung Tze Man, Edward
Mr. Wong Kong Chi

*Head office and principal place
of business in Hong Kong:*

Flat C, 18th Floor
Bold Win Industrial Building
16-18 Wah Sing Street
Kwai Chung
New Territories
Hong Kong

29 April 2004

To Shareholders

Dear Sir/Madam,

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES AND PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION

INTRODUCTION

The purpose of this circular is to provide you with information reasonably necessary to enable you to make a decision on whether to vote for or against the ordinary and special resolutions to be proposed at the Annual General Meeting which has been convened for the purpose of considering and if thought fit, approving, inter alia:

- the grant of the Share Issue Mandate and Repurchase Mandate to Directors to issue new Shares and repurchase Shares; and

LETTER FROM THE BOARD

- the proposed amendments to the Articles of Association.

A notice of the Annual General Meeting is set out on pages 10 to 18 of this circular.

GENERAL MANDATES TO ISSUE NEW SHARES AND REPURCHASE ITS OWN SHARES

At the last annual general meeting of the Company held on 27 May 2003, the Directors were granted a general mandate to allot and issue Shares and a general mandate to repurchase Shares. These mandates will expire at the conclusion of the Annual General Meeting. The Directors propose to seek the approval of the Shareholders at the Annual General Meeting by way of passing ordinary resolutions for the grant of:

- the Share Issue Mandate to issue Shares up to a maximum of 20% of the Shares in issue as at the date of passing of the relevant resolution; and
- the Repurchase Mandate to repurchase Shares up to a maximum of 10% of the Shares and in issue as at the date of passing of the relevant resolution.

Whilst the Directors do not presently intend to repurchase any Shares, they believe that the flexibility afforded by the Repurchase Mandate, if the ordinary resolution granting it is passed, would be beneficial to the Company.

As at the Latest Practicable Date for determining such figures, the issued share capital of the Company was 676,417,401 Shares. Subject to the passing of the ordinary resolution approving the Repurchase Mandate and on the basis that no further Shares are issued or repurchased after the Latest Practicable Date and up to the date of passing of such resolution, the Directors would be authorised to repurchase up to 67,641,740 Shares during the period up to the next annual general meeting in 2005 or the expiration of the period within which the next annual general meeting of the Company is required by law to be held or the revocation or variation of the Repurchase Mandate by an ordinary resolution of the Shareholders in general meeting of the Company, whichever occurs first.

REASONS FOR REPURCHASE

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

LETTER FROM THE BOARD

FUNDING OF REPURCHASES

Repurchases must be funded out of funds legally available for the purpose in accordance with the articles of association of the Company and the laws of the Cayman Islands, being profits available for distribution and the proceeds of a fresh issue of shares made for the purpose of the repurchase and it is envisaged that the funds required for any repurchase would be derived from such sources.

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in its most recent published audited financial statements as at 31 December 2003) in the event that the Repurchase Mandate is exercised in full. 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, and to the best of their knowledge, having made all reasonable enquiries, none of their associates, has any present intention, if the Repurchase Mandate is exercised, to sell any Shares to the Company or its subsidiaries.

No connected person (as defined in the Listing Rules) has notified the Company that he has a present intention to sell any Shares to the Company, or that he has undertaken not to sell any Shares held by him to the Company, in the event that the Repurchase Mandate is granted by the Shareholders at the Annual General Meeting and is exercised.

SHARE PURCHASE MADE BY THE COMPANY

There have been no repurchases of Shares by the Company during the six months prior to the date of this document (whether on the Stock Exchange or otherwise).

DIRECTOR'S UNDERTAKING

The Directors have undertaken to the Stock Exchange that they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Cayman Islands so far as the same may be applicable.

TAKEOVERS CODE CONSEQUENCES

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 the Takeovers Code. As a result, a Shareholder, or group of Shareholders acting in

LETTER FROM THE BOARD

concert, depending on the level of increase of the Shareholder's interest, 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. As at the Latest Practicable Date for determining the relevant figures, Goldhill Profits Limited ("Goldhill"), is holding 280,895,630 Shares representing approximately 41.53% of the entire issued Shares of the Company and Lees International Investments Limited ("Lees International"), is holding 28,712,551 Shares representing approximately 4.24% of the entire issued Shares of the Company. Assuming the Repurchase Mandate is exercised in full and there is not any issue of new Shares by the Company, the shareholding of Goldhill will be increased to 46.14% of the entire issued Shares of the Company, and the shareholding of Lees International will be increased to 4.72% of the entire issued Shares and therefore no obligation would arise in accordance with Rule 26 of the Takeovers Code. Apart from Goldhill and Lees International, the Directors are not aware of any Shareholder, or group of Shareholders acting in concert who may become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code in the event that the Directors exercise the power to repurchase Shares pursuant to the Repurchase Mandate.

MARKET PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during the 12 months preceding the Latest Practicable Date were as follows:

	Share prices	
	Highest HK\$	Lowest HK\$
2003		
April	0.350	0.260
May	0.355	0.275
June	0.375	0.305
July	0.415	0.305
August	0.445	0.365
September	0.480	0.360
October	0.385	0.345
November	0.360	0.310
December	0.355	0.310
2004		
January	0.395	0.325
February	0.420	0.350
March	0.430	0.350
April (up to and including the Latest Practicable Date)	0.360	0.300

LETTER FROM THE BOARD

SHAREHOLDER'S APPROVAL

All repurchases of securities by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of General Mandate or by specific approval in relation to a specific transaction.

PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION

The Stock Exchange announced on 30 January 2004 that subject to certain transitional arrangements, the proposed amendments to the Listing Rules relating to corporate governance issues would take effect on 31 March 2004. The Company is therefore required to amend the Articles of Association to reflect such changes.

The major proposed amendments to the Articles of Association include:

- the addition of the definition of “clearing house”;
- the addition of the definition of “Holding Company and Subsidiary” which have the same meaning as defined in the Listing Rules;
- the addition of the requirement that a Shareholder shall abstain from voting at any resolution of the Company, and any votes cast by or on behalf of such Shareholder in contravention of such requirement or restriction shall not be counted;
- the addition of the rights of Shareholder which is a clearing house at the meeting of the Company;
- the amendments to the voting of Directors that a Director shall abstain from voting at the board meeting on any matter in which the Director or any of his associates has a material interest; and
- the addition of the requirement that the minimum 7 days period for lodgment by member of Company of the notice to nominate a Director shall commence no earlier than the day after the dispatch of the notice of the meeting appointed for such election and end no later than seven days prior to the date of such meeting.

ANNUAL GENERAL MEETING

The notice of Annual General Meeting is set out on pages 10 to 18 of this circular. A form of proxy for use at the Annual General Meeting is enclosed and whether you intend to be present at the Annual General Meeting, you are requested to complete the form of proxy and return it to the registered office of the Company in accordance with the instructions printed thereon not

LETTER FROM THE BOARD

less than 48 hours before the time limit fixed for holding the Annual General Meeting. Completion of the form of proxy and returning it to the Company will not preclude you from attending, and voting at, the Annual General Meeting if you so wish.

At the Annual General Meeting, resolutions put to the vote of the meeting shall be decided on a show of hands unless a poll is before or on the declaration of the result of the show of hand demanded:

- (a) by the chairman of the Annual General Meeting;
- (b) by at least three members present in person or by proxy for the time being entitled to vote at the Annual General Meeting;
- (c) 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 Annual General Meeting; or
- (d) by any member or members present in person or by proxy and holding Shares conferring a right to vote at the Annual 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 the Shares conferring that right.

RE-ELECTION OF DIRECTORS

According to Article 116 of the Articles of Association, 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 to but not exceeding one-third, shall retire from office by rotation at every annual general meeting of the Company. A retiring Director shall be eligible for re-election. Accordingly, at the Annual General Meeting, Mr. Lee Chun Sing, Mr. Wat Kwing Cheung, Alexander and Ms. Lai Lai Wah shall retire office by rotation and being eligible, each of them will offer himself/herself for re-election as executive Directors. At the Annual General Meeting, ordinary resolution will be proposed to re-elect them as executive Directors. Brief biographies of each of them are as follows:

Mr. Lee Chun Sing, aged 43, the Vice Chairman of the Group and is responsible for the planning and production management of the Group's operations in the People's Republic of China. He has been with the Group since 1985. Other than as disclosed in the annual report for the year ended 31 December 2003, Mr. Lee does not have any other interests in shares within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Lee is the son of Mr. Lee Tat Hing, the Chairman and Managing Director of the Company.

There is no service agreement between the Company and Mr. Lee and the emoluments of Mr. Lee is determined by reference to the Company's performance and profitability, as well as the prevailing market conditions.

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Mr. Wat Kwing Cheung, Alexander, aged 65, is responsible for the administration and management of the Group's operations in the People's Republic of China. He joined the Group in 1985 and has over 20 years' of experience in factory management. Other than as disclosed in the annual report for the year ended 31 December 2003, Mr. Wat does not have any other interests in shares within the meaning of Part XV of the Securities and Futures Ordinance, nor does he have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company.

There is no service agreement between the Company and Mr. Wat and the emoluments of Mr. Wat is determined by reference to the Company's performance and profitability, as well as the prevailing market conditions.

Ms. Lai Lai Wah, aged 46, is the general manager of the Group's factory in the People's Republic of China, and has been with the Group for over 18 years. Other than as disclosed in the annual report for the year ended 31 December 2003, Ms. Lai does not have any other interests in shares within the meaning of Part XV of the Securities and Futures Ordinance. Ms. Lai is the wife of Mr. Lee Chun Sing, the Vice-chairman of the Company.

There is no service agreement between the Company and Ms. Lai and the emoluments of Ms. Lai is determined by reference to the Company's performance and profitability, as well as the prevailing market conditions.

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 the omission of which would make any statement herein misleading.

RECOMMENDATION

Your Directors consider that the granting of the General Mandates and the amendments to the existing Articles of Association are in the interests of and for the benefit of the Company and the Shareholders and accordingly the Directors recommend you to vote in favour of these resolutions to be proposed at the Annual General Meeting.

Yours faithfully,
For and on behalf of the Board
Lee Tat Hing
Chairman and Managing Director

NOTICE OF ANNUAL GENERAL MEETING



WORLD HOUSEWARE (HOLDINGS) LIMITED

(Incorporated in Cayman Islands with limited liability)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of World Houseware (Holdings) Limited (the “Company”) will be held at the Jade Room, 6th floor, The Marco Polo Hongkong Hotel, Harbour City, Kowloon, Hong Kong on Friday, 28 May 2004 at 3:00 p.m. for the purpose of considering and if thought fit, passing the following resolutions:

As ordinary business:

1. To receive and adopt the audited financial statements of the Company and its subsidiaries and the reports of the directors and auditors for the year ended 31 December 2003.
2. To re-elect directors and to authorise the Board to fix the directors’ remuneration.
3. To re-appoint auditors and authorise the Board to fix their remuneration.
4. To declare a final dividend.

As special business:

ORDINARY RESOLUTION

5. To consider and, if thought fit, pass with or without modifications, the following resolutions as Ordinary Resolutions:

A. **“THAT:**

- (a) subject to paragraph (c) of this Resolution, the exercise by the directors of the Company during the Relevant Period (as defined in paragraph (d) of this Resolution) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company or securities convertible into such shares, options, warrants or similar rights to subscribe for any shares in the Company, and to make and grant offers, agreements and options which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the approval in paragraph (a) of this Resolution shall authorise the directors of the Company during the Relevant Period to make and grant offers, agreements and options which would or might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to the shares of the Company issued as a result of a Rights Issue (as defined in paragraph (d) of this Resolution) or pursuant to the exercise of options under any share option scheme or similar arrangement or any scrip dividend or similar arrangement providing for the allotment of shares of the Company in lieu of the whole or part of the dividend on the shares of the Company in accordance with the Company's Articles of Association, shall not exceed 20 % of the aggregate 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
- (d) 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 end of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable law of Cayman Islands to be held; or
- (iii) revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting;

“Rights Issue” means an offer of shares in the capital of the Company open for a period fixed by the directors of the Company to the holders of shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the directors of the Company 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, or in any territory outside, Hong Kong).”

NOTICE OF ANNUAL GENERAL MEETING

B. **“THAT:**

- (a) subject to paragraph (b) of this Resolution, the exercise by the directors of the Company during the Relevant Period (as defined in paragraph (c) of this Resolution) of all the powers of the Company to repurchase its own shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange on which the securities of the Company may be listed as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company to be repurchased by the Company pursuant to the approval mentioned in paragraph (a) of this Resolution during the Relevant Period shall not exceed 10 % of the aggregate 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 purposes of this Resolution the expression “Relevant Period” shall have the same meaning as assigned to it under Ordinary Resolution 5A(d) of this notice.”

- C. **“THAT** conditional upon Resolutions 5A and 5B being passed, the aggregate nominal amount of shares in the capital of the Company which are repurchased by the Company under the authority granted to the directors as mentioned in Resolution 5B above shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to Resolution 5A, provided that the amount of share capital repurchased by the Company shall not exceed 10% of the total nominal amount of the share capital of the Company in issue on the date of this Resolution.”

NOTICE OF ANNUAL GENERAL MEETING

SPECIAL RESOLUTION

6. To consider and, if thought fit, pass with or without modifications, the following resolution as Special Resolution:

“**THAT** the Articles of Association of the Company be hereby amended as follows:

(a) Article 2

- (i) By inserting the following new definitions in Article 2:

““clearing house” “clearing house” shall mean a clearing house recognised by the laws of the jurisdiction in which the shares of the Company are listed or quoted on a stock exchange in such jurisdiction;”

““Hong Kong” “Hong Kong” shall mean the Hong Kong Special Administrative Region of the People’s Republic of China;”

- (ii) By deleting the existing definition of “holding company” in Article 2 in its entirety and replacing therewith the following:

““Holding Company and Subsidiary” “Holding Company” and “Subsidiary” shall have the meaning attributed to them under the Rules Governing the Listing of Securities on the Stock Exchange from time to time.”

(b) Article 80

- (i) By inserting the words “or otherwise required under the Rules Governing the Listing of Securities on the Stock Exchange from time to time” immediately after the word “demanded” at the end of the first sentence in Article 80; and

- (ii) By deleting the words “Unless a poll be so demanded” at the beginning of the second paragraph of Article 80 and substituting “Unless a poll is so required or demanded and, in the latter case, not withdrawn” in place thereof.

(c) Article 81

By inserting the words “required or” immediately before the word “demanded” wherever it appears in the first sentence and in the third sentence in Article 81.

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(d) Article 83

By inserting the words “required or” immediately before the word “demanded” in Article 83.

(e) Article 85

(i) By re-numbering existing Article 85 as Article 85(a); and

(ii) By inserting the following as new Article 85(b):

“(b) Where any member is, under the rules of the Stock Exchange, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.”; and

(iii) By inserting the following as new Article 85(c):

“(c) If a clearing house (or its nominee(s)), being a corporation, is a member, it may authorise such persons as it thinks fit to act as its representative at any meeting of the Company or at any meeting of any class of members provided that the authorisation shall specify the number and class of shares in respect of which each such representative is so authorised. Each person so authorised under the provisions of this Article shall be deemed to have been duly authorised without further evidence of the facts and entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as if such person were the registered holder of the shares of the Company held by the clearing house (or its nominee(s)) including the right to vote individually on a show of hands.”

(f) Article 107(a)

By deleting the existing Articles 107(a)(ii) to (iv) in their entirety and replacing therewith the following new Article 107(a)(ii):

“(ii) A Director shall not vote (nor be counted in the quorum) on any resolution of the Board approving any contract or arrangement or any other proposal in which he or any of his associates is materially interested, but this prohibition shall not apply to any of the following matters namely:

(a) any contract or arrangement for the giving to such Director or his associate(s) any security or indemnity in respect of money lent by

NOTICE OF ANNUAL GENERAL MEETING

him or any of his associates or obligations incurred or undertaken by him or any of his associates at the request of or for the benefit of the Company or any of its subsidiaries;

- (b) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (c) any contract or arrangement concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (d) any contract or arrangement in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company or any of its subsidiaries by virtue only of his/their interest in shares or debentures or other securities of the Company;
- (e) any contract or arrangement concerning any other company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or a shareholder other than a company in which the Director and/or his associate(s) is/are beneficially interested in five (5) per cent or more of the issued shares or of the voting rights of any class of shares of such company (or any third company through which his interest or that of any of his associates is derived); or
- (f) any proposal concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death or disability benefits scheme or other arrangement which relates both to directors, his associates and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director, or his associate(s), as such any privilege or advantage not accorded to the employees to which such scheme or fund relates.”

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(g) Article 107(b) and (c)

By deleting the existing Articles 107(b) and (c) in their entirety and replacing therewith the following new Articles 107(b), (c) and (d):

- “(b) A company shall be deemed to be a company in which a Director and/or his associate(s) owns five (5) % or more if and so long as (but only if and so long as) he and/or his associates, (either directly or indirectly) are the holders of or beneficially interested in five (5) % or more of any class of the equity share capital of such company or of the voting rights available to members of such company (or of any third company through which his/ their interest or that of any of his associates is derived). For the purpose of this paragraph there shall be disregarded any shares held by a Director or his associate(s) as bare or custodian trustee and in which he or any of them has no beneficial interest, any shares comprised in a trust in which the interest of the Director or his associate(s) is/are in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust scheme in which the Director or his associate(s) is/are interested only as a unit holder and any shares which carry no voting right at general meetings and very restrictive dividend and return of capital right.
- (c) Where a company in which a Director and/or his associate(s) holds five (5) % or more is/are materially interested in a transaction, then that Director and/or his associate(s) shall also be deemed materially interested in such transaction.
- (d) If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the chairman of the meeting) or his associate(s) or as to the entitlement of any Director (other than such chairman) to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director and/or his associate(s) concerned as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the chairman of the meeting such question shall be decided by a resolution of the Board (for which purpose such chairman shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman as known to such chairman has not been fairly disclosed to the Board.”

NOTICE OF ANNUAL GENERAL MEETING

(h) Article 120

By deleting the existing Article 120 in its entirety and replacing therewith the following:

“120. No person other than a Director retiring at the meeting shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting unless a notice in writing of the intention to propose such person for election as Director, signed by a member (other than the person to be proposed for election as Director) duly qualified to attend and vote at the meeting for which such notice is given, and a notice in writing signed by such person of his willingness to be elected shall have been lodged at the head office or at the Registration Office. The minimum length of the period, during which such notices are given, shall be at least seven (7) days and that the period for lodgment of such notice(s) shall commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.”

By Order of the Board

Lee Tat Hing

Chairman and Managing Director

Hong Kong, 29 April 2004

NOTICE OF ANNUAL GENERAL MEETING

Registered office:

P.O. Box 309GT
Ugland House
South Church Street
George Town
Grand Cayman
Cayman Islands
British West Indies

Head office and principal place of business in Hong Kong:

Flat C, 18th Floor
Bold Win Industrial Building
16-18 Wan Sing Street
Kwai Chung
New Territories
Hong Kong

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, subject to the provisions of the Articles of Association, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the meeting to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of Shares in respect of which such proxy is so appointed.
2. A form of proxy for use at the meeting is enclosed. To be valid, this form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, must be deposited at the principal office of the Company at Flat C, 18th Floor, Bold Win Industrial Building, 16-18 Wah Sing Street, Kwai Chung, New Territories, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment hereof.
3. The register of members of the Company will be closed from 20 May 2004 to 25 May 2004 both days inclusive, 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 Company's share registrar in Hong Kong, at Secretaries Limited of G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong for registration not later than 4:00 p.m. on 19 May 2004.