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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 delivery to the purchaser or transferee.

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WORLD HOUSEWARE (HOLDINGS) LIMITED

(Incorporated in the 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 Wednesday, 24 May 2006, is set out on pages 14 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.

Hong Kong, 27 April 2006

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DEFINITIONS

“Annual General Meeting”	the annual general meeting of the Company 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 Wednesday, 24 May 2006 and any adjournment thereof
“Articles of Association”	the articles of association of the Company
“associates”	has the same meaning as defined in the Listing Rules
“Board”	the board of Directors
“Company”	World Houseware (Holdings) Limited, a company incorporated in the Cayman Islands and whose shares are listed on the Stock Exchange
“Directors”	the directors of the Company from time to time
“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 PRC
“Latest Practicable Date”	25 April 2006 being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“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”	The Code on Takeovers and Mergers and Share Repurchases
“HK\$” and “cents”	Hong Kong dollars and cents respectively



WORLD HOUSEWARE (HOLDINGS) LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 713)

Executive Directors:

Mr. Lee Tat Hing (Chairman)
Madam Fung Mei Po (Vice Chairperson and
Chief Executive Officer)

Mr. Lee Chun Sing (Vice Chairman)

Madam Lai Lai Wah

Mr. Lee Pak Tung

Mr. Kwong Bau To

(appointed on 6 September 2005)

Mr. Choi Kwok Keung Sanvic

(appointed on 6 September 2005)

Madam Chan Lai Kuen Anita

(appointed on 6 September 2005)

Non-executive Director:

Mr. Cheung Tze Man Edward

Independent Non-executive Directors:

Mr. Wong Kong Chi *(resigned on 19 April 2006)*

Mr. Hui Chi Kuen Thomas

Mr. Ho Tak Kay

Mr. Tang King Hung *(appointed on 19 April 2006)*

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 Wah Sing Street
Kwai Chung
New Territories
Hong Kong

27 April 2006

To the 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 an informed decision on whether to vote for or against the ordinary and special

LETTER FROM THE BOARD

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
- the proposed amendments to the Articles of Association.

A notice of the Annual General Meeting is set out on pages 14 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 25 May 2005, 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 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, 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 2007 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 2005) 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 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, 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. In the opinion of the Directors, such increase may give rise to an obligation to make a mandatory offer under 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.

LETTER FROM THE BOARD

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 <i>HK\$</i>	Lowest <i>HK\$</i>
2005		
April	0.270	0.220
May	0.260	0.225
June	0.255	0.216
July	0.235	0.219
August	0.228	0.200
September	0.235	0.195
October	0.209	0.166
November	0.194	0.170
December	0.205	0.170
2006		
January	0.226	0.182
February	0.234	0.192
March	0.225	0.201
April (<i>up to and including the Latest Practicable Date</i>)	0.236	0.204

SHAREHOLDERS' 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

Following the amendments to the Listing Rules concerning corporate governance practices which became effective on 1 January 2005 and 1 March 2006 respectively, the Directors propose to amend the Articles of Association to ensure compliance with the changes.

The major proposed amendments to the Articles of Association include:

- specifying that a Director may be removed by passing an ordinary resolution;

LETTER FROM THE BOARD

- requiring any Director appointed by the Board to fill a casual vacancy shall be subject to election by shareholders at the first general meeting of the Company after such Director's appointment; and
- deleting the provision that any Director elected by the general meeting to fill a casual vacancy shall retire at the next following annual general meeting.

A full text of the amendments to be made to the Articles of Association is contained in resolution no.5 in the notice of the Annual General Meeting set out on pages 14 to 18 of this circular.

ANNUAL GENERAL MEETING

The notice of Annual General Meeting is set out on pages 14 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 Company's share registrar in Hong Kong in accordance with the instructions printed thereon not 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.

Pursuant to Article 80 of the Articles of Association, 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 or otherwise required under the Listing Rules. A poll may be 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.

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In addition, pursuant to Article 80A of the Articles of Association, if the chairman of a general meeting and/or the Directors individually or collectively hold proxies in respect of shares holding 5% or more of the total voting rights at a particular meeting, and if on a show of hands the meeting votes in the opposite manner to that instructed in those proxies, the chairman of the meeting and/or the Directors and the chairman of the meeting holding proxies as aforesaid collectively shall demand a poll; provided that if it is apparent from the total proxies held that a vote taken on a poll will not reverse the vote taken on a show of hands, then no poll shall be required.

RE-ELECTION OF DIRECTORS

According to Article 116 of the existing 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 provided that every Director shall be subject to retirement at least once every three years. A retiring Director shall be eligible for re-election. Accordingly, at the Annual General Meeting, Madam Fung Mei Po, Mr. Lee Chun Sing, Madam Lai Lai Wah and Mr. Cheung Tze Man Edward shall retire office by rotation and being eligible, each of them will offer himself/herself for re-election as Directors. At the Annual General Meeting, ordinary resolution will be proposed to re-elect them as Directors. Brief biographies of each of them are as follows:

Madam Fung Mei Po, aged 50, is the Vice Chairperson and Chief Executive Officer of the Group. She has over 20 years' experience in marketing, production planning and factory management and has been with the Group for over 20 years. As at the Latest Practicable Date, other than as disclosed in the annual report for the year ended 31 December 2005, Madam Fung does not have any other interests in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Madam Fung does not hold any directorship in any other listed public companies in the past three years. Madam Fung is the wife of Mr. Lee Tat Hing, the Chairman.

There is no service agreement in writing between the Company and Madam Fung and the total emoluments of Madam Fung is determined by reference to the Company's performance and profitability, as well as the prevailing market conditions. For the year ended 31 December 2005, the total emoluments paid by the Company to Madam Fung amounts to HK\$2,647,000.

There are no any other matters that need to be brought to the attention of the Shareholders of the Company or disclosed pursuant to Rule 13.51(2) of the Listing Rules.

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Mr. Lee Chun Sing, aged 45, is the Vice Chairman of the Group. He is responsible for the planning and production management of the Group's PRC operations and has been with the Group since 1985. As at the Latest Practicable Date, other than as disclosed in the annual report for the year ended 31 December 2005, Mr. Lee does not have any other interests in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Lee does not hold any directorship in any other listed public companies in the past three years. Mr. Lee is the son of Mr. Lee Tat Hing, the Chairman.

There is no service agreement in writing between the Company and Mr. Lee and the total emoluments of Mr. Lee is determined by reference to the Company's performance and profitability, as well as the prevailing market conditions. For the year ended 31 December 2005, the total emoluments paid by the Company to Mr. Lee amounts to HK\$2,712,000.

There are no any other matters that need to be brought to the attention of the Shareholders of the Company or disclosed pursuant to Rule 13.51(2) of the Listing Rules.

Madam Lai Lai Wah, aged 48, is the general manager of the PRC factory. Madam Lai has been with the Company for over 18 years. As at the Latest Practicable Date, other than as disclosed in the annual report for the year ended 31 December 2005, Madam Lai does not have any other interests in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Madam Lai does not hold any directorship in any other listed public companies in the past three years. Madam Lai is the wife of Mr. Lee Chun Sing, the Vice Chairman.

There is no service agreement in writing between the Company and Madam Lai and the total emoluments of Madam Lai is determined by reference to the Company's performance and profitability, as well as the prevailing market conditions. For the year ended 31 December 2005, the total emoluments paid by the Company to Madam Lai amounts to HK\$912,000.

There are no any other matters that need to be brought to the attention of the Shareholders of the Company or disclosed pursuant to Rule 13.51(2) of the Listing Rules.

Mr. Cheung Tze Man Edward, aged 53, is a practising solicitor in Hong Kong. He obtained his Bachelor of Laws degree from the University of London and Master of Laws in Chinese Law from University of Hong Kong and is a member of the Law Society in Hong Kong and England and Wales. He is also a member of the Institute of Chartered Secretaries and Administrators. As at the Latest Practicable Date, Mr. Cheung does not have any other interests in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance nor any relationships with any directors, senior management or substantial or controlling shareholders of the Company. Mr. Cheung does not hold any directorship in any other listed public companies in the past three years. Mr. Cheung is currently a member of both of the audit committee and remuneration committee of the Company.

LETTER FROM THE BOARD

Mr. Cheung has entered into a service agreement with the Company for a period of three years commencing from 6 September 2005 with an annual fee of HK\$180,000, which is determined by the Board with reference to Mr. Cheung's duties and responsibilities with the Company. For the year ended 31 December 2005, the total emoluments paid by the Company to Mr. Cheung amounts to HK\$180,000.

There are no any other matters that need to be brought to the attention of the Shareholders of the Company or disclosed pursuant to Rule 13.51(2) of the Listing Rules.

According to Articles 99 and 117 of the existing Articles of Association, any person appointed by the Directors as a Director either to fill a casual vacancy or as an addition to the Board shall hold office until the next annual following general meeting of the Company and shall then be eligible for re-election. Accordingly, at the Annual General Meeting, Mr. Kwong Bau To, Mr. Choi Kwok Keung Sanvic, Madam Chan Lai Kuen Anita and Mr. Tang King Hung shall retire office and being eligible, each of them will offer himself/herself for re-election as Directors. At the Annual General Meeting, ordinary resolution will be proposed to re-elect them as Directors. Brief biographies of each of them are as follows:

Mr. Kwong Bau To, aged 50, is a member of the Institution of Engineering Designers. He has gained extensive experience in engineering and marketing field by working with sizable corporations in Hong Kong in the past. He joined the Group in 1994 and he is responsible for the management and marketing development of PVC pipes and fittings division of the Company in Hong Kong. As at the Latest Practicable Date, other than as disclosed in the annual report for the year ended 31 December 2005, Mr. Kwong does not have any other interests in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance nor any relationships with any directors, senior management or substantial or controlling shareholders of the Company. Mr. Kwong does not hold any directorship in any other listed public companies in the past three years.

There is no service agreement in writing between the Company and Mr. Kwong and the total emoluments of Mr. Kwong is determined by reference to the Company's performance and profitability, as well as the prevailing market conditions. For the year ended 31 December 2005, the total emoluments paid by the Company to Mr. Kwong amounts to HK\$454,000.

There are no any other matters that need to be brought to the attention of the Shareholders of the Company or disclosed pursuant to Rule 13.51(2) of the Listing Rules.

LETTER FROM THE BOARD

Mr. Choi Kwok Keung Sanvic, aged 38, is a member of the Hong Kong Institute of Certified Public Accountants. He has gained extensive experience in accounting, taxation and financial management by working in various sizable corporations and publicly listed companies in Hong Kong before he joined the Company in 2002. He is currently the financial controller, qualified accountant and secretary of the Company. He is responsible for the overall financial management and planning of the Group. As at the Latest Practicable Date, Mr. Choi does not have any other interests in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance nor any relationships with any directors, senior management or substantial or controlling shareholders of the Company. Mr. Choi does not hold any directorship in any other listed public companies in the past three years.

There is no service agreement in writing between the Company and Mr. Choi and the total emoluments of Mr. Choi is determined by reference to the Company's performance and profitability, as well as the prevailing market conditions. For the year ended 31 December 2005, the total emoluments paid by the Company to Mr. Choi amounts to HK\$298,000.

There are no any other matters that need to be brought to the attention of the Shareholders of the Company or disclosed pursuant to Rule 13.51(2) of the Listing Rules.

Madam Chan Lai Kuen Anita, aged 54, is the chief accounting officer and treasurer of the Group and is responsible for the overall accounting, treasury and human resources of the Group. She has gained extensive experience in accounting, taxation, financial and personnel management by working in various sizable corporations in Hong Kong before she joined the Group in 1986. As at the Latest Practicable Date, other than as disclosed in the annual report for the year ended 31 December 2005, Madam Chan does not have any other interests in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance nor any relationships with any directors, senior management or substantial or controlling shareholders of the Company. Madam Chan does not hold any directorship in any other listed public companies in the past three years.

There is no service agreement in writing between the Company and Madam Chan and the total emoluments of Madam Chan is determined by reference to the Company's performance and profitability, as well as the prevailing market conditions. For the year ended 31 December 2005, the total emoluments paid by the Company to Madam Chan amounts to HK\$340,000.

There are no any other matters that need to be brought to the attention of the Shareholders of the Company or disclosed pursuant to Rule 13.51(2) of the Listing Rules.

LETTER FROM THE BOARD

Mr. Tang King Hung, aged 54, is a member of the Hong Kong Institute of Certified Public Accountants, the Institute of Chartered Accountants in England and Wales and the Institute of Chartered Secretaries and Administrators. He has over 30 years of experience in auditing, accounting and financial management. Mr. Tang is now an Independent Non-executive Director of Herald Holdings Limited, a Hong Kong listed company. Save as disclosed as aforesaid, he did not hold any other directorship in any listed public companies in the past three years. As at the Latest Practicable Date, Mr. Tang does not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance nor any relationships with any directors, senior management or substantial or controlling shareholders of the Company. Mr. Tang is currently the chairman of audit committee and a member of remuneration committee of the Company.

Mr. Tang has entered into a service agreement with the Company for a period of three years commencing from 19 April 2006 with an annual fee of HK\$180,000, which is determined by the Board with reference to Mr. Tang's duties and responsibilities with the Company.

There are no any other matters that need to be brought to the attention of the Shareholders of the Company or disclosed pursuant to Rule 13.51(2) of the Listing Rules.

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

The 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



WORLD HOUSEWARE (HOLDINGS) LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 713)

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 Wednesday, 24 May 2006 at 3:00p.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 2005.
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.

As special business:

ORDINARY RESOLUTION

4. 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 (i) a Rights Issue (as defined in paragraph (d) of this Resolution) or (ii) the exercise of options under any share option scheme or similar arrangement or (iii) the exercise of rights of conversion under the terms of any securities which are convertible into shares of the Company or warrants to subscribe for shares of the Company or (iv) 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;

NOTICE OF ANNUAL 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 any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange applicable to the Company).”

B. “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 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 approval in paragraph (a) shall be in addition to any other authorizations given to the directors of the Company and shall authorize the directors of the Company on behalf of the Company to repurchase its shares at a price determined by the directors of the Company;
- (c) 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
- (d) for the purposes of this Resolution the expression “Relevant Period” shall have the same meaning as assigned to it under paragraph (d) of Ordinary Resolution 4A of this notice.”

NOTICE OF ANNUAL GENERAL MEETING

- C. **“THAT** conditional upon Resolutions 4A and 4B 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 4B 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 4A, 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 as at the date of passing this Resolution.”

SPECIAL RESOLUTION

5. As special business, to consider and if thought fit, pass the following resolution as a Special Resolution:

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

- (i) deleting the second sentence of Article 99 in its entirety and replacing with the following:

“Any Director so appointed shall hold office only until the next following general meeting of the Company (in the case of filling a causal vacancy) or until the next following annual general meeting of the Company (in the case of an addition to the Board), and shall then be eligible for re-election at that meeting.”

- (ii) replacing the word “special” in Article 106 (vii) with the word “ordinary”;

- (iii) deleting the second sentence of Article 117 (a) in its entirety;

- (iv) deleting the second sentence of Article 117(c) in its entirety and replacing with the following:

“Any Director so appointed shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to the Board), and shall not be taken into account in determining which Directors or the number of Directors who are to retire by rotation at that meeting.”

NOTICE OF ANNUAL GENERAL MEETING

- (v) replacing the word “special” in the first sentence of Article 122 with the word “ordinary”; and
- (vi) replacing the word “special” in the margin to Article 122 with the word “ordinary”.

By Order of the Board
Lee Tat Hing
Chairman

Hong Kong, 27 April 2006

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 Wah 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 office of the Company’s branch share registrar in Hong Kong, at Secretaries Limited of 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, 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 19 May 2006 to 24 May 2006 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 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:00 p.m. on 18 May 2006.