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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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

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

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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SYMPHONY

**SYMPHONY HOLDINGS LIMITED**

**(新豐集團有限公司)\***

*(Incorporated in Bermuda with limited liability)*

(Stock code: 1223)

**NOTICE OF ANNUAL GENERAL MEETING,  
PROPOSALS FOR RE-ELECTION OF RETIRING DIRECTORS  
AND  
GENERAL MANDATE TO ISSUE AND REPURCHASE SHARES**

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A notice convening an Annual General Meeting of Symphony Holdings Limited to be held at 10:30 a.m., on Tuesday, 10th May 2005 at 10th Floor, Island Place Tower, 510 King's Road, North Point, Hong Kong is set out on the notice of Annual General Meeting on pages 12 to 16 of this circular. Whether or not you are able to attend the meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the branch share registrars of the Company in Hong Kong, Tengis Limited, at Ground Floor, BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding such meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting should you so wish.

\* *For identification purposes only*

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## DEFINITION

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

“Annual General Meeting”	an annual general meeting of the Company to be held on 10th May 2005 at 10:30 a.m.
“Associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company or a duly authorised committee thereof
“Bye-laws”	the bye-laws of the Company for the time being in force which was adopted by the Company on 12th May, 2004
“Company”	Symphony Holdings Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Stock Exchange
“Companies Act”	the Companies Act 1981 of Bermuda
“Directors”	the directors of the Company for the time being
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission or any delegate of the Executive Director
“Group”	the Company and its Subsidiaries
“Latest Practicable Date”	13th April 2005 being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Ordinary Resolution(s)”	the proposed ordinary resolution(s) as referred to in the notice of Annual General Meeting
“Repurchase Mandate”	a general and unconditional mandate enabling the Directors to repurchase Shares as defined in the section headed “General Mandate to Issue and Repurchase Shares”
“Share(s)”	share(s) of HK\$0.25 each in the share capital of the Company
“Share Issue Mandate”	a general and unconditional mandate enabling the Directors to allot and issue Shares as described in the section headed “General Mandate to Issue and Repurchase Shares”

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## DEFINITION

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“Share Repurchase Rules”	the relevant rules set out in the Listing Rules to regulate the repurchase by companies with primary listings on the Stock Exchange of their own securities on the Stock Exchange
“Shareholder(s)”	registered holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary”	a company which is for the time being and from time to time a subsidiary (within the meaning of the Companies Ordinance of Hong Kong or The Companies Act 1981 of Bermuda (as amended)) of the Company
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Repurchases
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong Special Administrative Region of The People’s Republic of China

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## LETTER FROM THE BOARD

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SYMPHONY

# SYMPHONY HOLDINGS LIMITED

(新豐集團有限公司)\*

(Incorporated in Bermuda with limited liability)

(Stock code: 1223)

*Executive Directors:*

Mr. Li Kwok Lung, Alfred Ronald (*Chairman*)  
Mr. Sze Sun Sun, Tony (*Deputy Chairman and Managing Director*)  
Mr. Chang Tsung Yuan (*Deputy Chairman*)  
Mr. Ku Edward Y.  
Mr. Chan Lu Min

*Registered Office:*

Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

*Non-executive Directors:*

Mr. Li I Nan  
Mr. Chan Ting Chuen

*Principal Place of Business in  
Hong Kong:*

10th Floor, Island Place Tower  
510 King's Road, North Point  
Hong Kong

*Independent non-executive Directors*

Mr. Cheng Kar Shing  
Mr. Feng Lei Ming  
Mr. Ho Shing Chak

18th April 2005

*To the Shareholders*

Dear Sir or Madam,

**NOTICE OF ANNUAL GENERAL MEETING,  
PROPOSALS FOR RE-ELECTION OF RETIRING DIRECTORS  
AND  
GENERAL MANDATE TO ISSUE AND REPURCHASE SHARES**

**INTRODUCTION**

The purpose of this circular is to provide you, the shareholders with information reasonably necessary to enable you as shareholders to make a decision on whether to vote for or against the ordinary resolutions to be proposed at the Annual General Meeting for the approval of, inter alia:

- (a) the re-election of retiring Directors; and
- (b) the grant of the Shares Issue Mandate and Repurchase Mandate to the Directors to issue new Shares and repurchase Shares.

\* For identification purposes only

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## **LETTER FROM THE BOARD**

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### **RE-ELECTION OF RETIRING DIRECTORS**

At the Annual General Meeting of the Company, Mr. Chan Lu Min, Mr. Li I Nan and Mr. Chan Ting Chuen will retire as Directors by rotation and, being eligible, offer themselves for re-election in accordance with Bye-law 87 to 88 of the Bye-laws of the Company.

Particulars of Mr. Chan Lu Min, Mr. Li I Nan and Mr. Chan Ting Chuen are set out in Appendix I to this circular.

### **GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES**

At the last annual general meeting of the Company held on 12th May 2004, 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 forthcoming Annual General Meeting. The Directors propose to seek the approval of the Shareholders at the Annual General Meeting for the grant of:

- (a) the Shares Issue Mandate to issue Shares up to maximum of 20 per cent. of the Shares in the issue as at the date of passing of the relevant resolution; and
- (b) the Repurchase Mandate to repurchase Shares up to a maximum of 10 per cent. of the Shares in issue as at the date of passing of the relevant resolution.

The explanatory statement to provide Shareholders with all the information necessary to enable them to make an informed decision whether to vote for or against the resolution concerning the Repurchase Mandate as required by the Listing Rules is set out in Appendix II to this circular.

### **RIGHT TO DEMAND A POLL**

Pursuant to Bye-law 66 of the existing Bye-laws, a resolution put to the vote of a 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 of a poll) a poll is demanded:—

- (a) by the chairman of such meeting; or
- (b) by at least three (3) Members present in person (or in the case of a Member being a corporation by its duly authorized representative) or by proxy for the time being entitled to vote at the meeting; or
- (c) by a Member of Members present in person (or in the case of a Member 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 Members having the right to vote at the meeting; or

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## LETTER FROM THE BOARD

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- (d) by a Member of Members present in person (or in the case of a Member being a corporation by its duly authorized representative) or by proxy and holding shares in the company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

### **ACTION TO BE TAKEN**

A form of proxy at the Annual General Meeting is enclosed herewith. Whether or not you intend to attend the Annual General Meeting, you are requested to complete the form of proxy and return it the branch share registrar of the Company in Hong Kong, Tengis Limited at Ground Floor, BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the meeting or any adjournment thereof.

### **ANNUAL GENERAL MEETING**

Notice of the Annual General Meeting is set out in pages 12 to 16 in this circular.

### **RECOMMENDATION**

The Directors believe that the grant of the General Mandate to issue and to repurchase Shares are in the interests of the Company and its Shareholders and accordingly recommend that the Shareholders vote in favour of the resolutions to be proposed at the Annual General Meeting.

Yours faithfully,  
For and on behalf of  
**Symphony Holdings Limited**  
**Li Kwok Lung, Alfred Ronald**  
*Chairman*

Particular of retiring Directors subject to re-election, at the Annual General Meeting are set out below:

**CHAN LU MIN**

Mr. Chan Lu Min, aged 51, joined the Group in 2002 as an executive Director. He is also an executive director of Yue Yuen Industrial (Holdings) Limited (“Yue Yuen”), a company engaged in shoe manufacturing which is listed on the Stock Exchange (HKSE code: 0551). Yue Yuen is deemed as a substantial shareholder of the Company under the Securities and Futures Ordinance (“SFO”). Mr. Chan graduated from the Chung Hsing University in Taiwan and possesses 26 years of finance and accounting experience.

He is also a director of Pou Chen Corporation and the supervisor (監察人) of Quanta Computer Inc., both companies being listed on the Taiwan Stock Exchange. Save as disclosed above, Mr. Chan does not hold and has not held any directorships in other listed public companies in the last three years.

Mr. Chan is currently an executive vice president of Pou Chen Corporation, a Taiwan listed company, and was appointed as director, chairman or supervisor (監察人) in its related companies.

There is no service contract between Mr. Chan and the Company. His appointment with the Company is subject to the relevant provisions for retirement and re-election pursuant to Bye-law 87 of the Bye-Laws of the Company. There is no agreement on the amount of director’s fee payable to Mr. Chan. He received a total of HK\$120,000 for being an executive Director of the Company in 2004. His remuneration will be revised annually by the Board with reference to his duties and responsibilities, the prevailing market conditions and the performance of the Company. Once the amount has been determined, a further announcement will be made.

Mr. Chan is deemed to be interested in 10,449,896 shares in the Company.

Save as disclosed above, Mr. Chan is not related to any Director, senior management, substantial or controlling Shareholders of the Company, nor does he have any interest in the Shares of the Company which is required to be disclosed under Part XV of the SFO.

**CHAN TING CHUEN**

Mr. Chan Ting Chuen, aged 57, joined the Group in 1997. He is currently a non-executive Director of the Company. Mr. Chan graduated with a Bachelor’s degree in civil engineering from the University of Hong Kong. He is an independent non-executive director of Wing Shan International Limited, a company listed on the Stock Exchange (HKSE code: 0570). Mr. Chan is also a director of each of Royal Pacific Limited, First Dynamic International Limited and Well Success Investment Limited. All the three companies are deemed or substantial shareholders of the Company under the SFO.

There is no service contract between Mr. Chan and the Company. His appointment with the Company is subject to the relevant provisions for retirement and re-election pursuant to Bye-law 87 of the Bye-Laws of the Company. There is no agreement on the amount of director’s fee payable to Mr.

Chan. He received a total of HK\$1,599,000 for being the Managing Director of the Company in 2004. His remuneration will be revised annually by the Board with reference to his duties and responsibilities, the prevailing market conditions and the performance of the Company. Once the amount has been determined, a further announcement will be made.

Mr. Chan is deemed to be interested in 678,229,240 shares of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Chan is not related to any Director, senior management, substantial or controlling Shareholders of the Company, nor does he have any interest in the Shares of the Company which is required to be disclosed under Part XV of the SFO.

#### **LI I NAN**

Mr. Li I Nan, aged 63, joined the Group in 2002 as a non-executive Director. He has many years of experience in the footwear business including sourcing and wholesale operations. He is an executive director of Yue Yuen Industrial (Holdings) Limited (“Yue Yuen”), a company engaged in shoe manufacturing which is listed on the Stock Exchange (HKSE code: 0551). Yue Yuen is deemed as a substantial shareholder of the Company under the Securities and Futures Ordinance (“SFO”). Mr. Li holds a Bachelor and a Master of Arts degree from National Chengchi University in Taiwan and the University of Southern California respectively.

There is no service contract between Mr. Li and the Company. His appointment with the Company is subject to the relevant provisions for retirement and re-election pursuant to Bye-law 87 of the Bye-Laws of the Company. There is no agreement on the amount of director’s fee payable to Mr. Li. He received a total of HK\$60,000 for being an non-executive Director in 2004. His remuneration will be revised annually by the Board with reference to his duties and responsibilities, the prevailing market conditions and the performance of the Company. Once the amount has been determined, no further announcement will be made.

Mr. Li does not have any interest in shares of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Li is not related to any Director, senior management, substantial or controlling Shareholders of the Company, nor does he have any interest in the Shares of the Company which is required to be disclosed under Part XV of the SFO.

This explanatory statement contains information required under the Listing Rules to accompany the notice of a general meeting at which a resolution is to be proposed in relation to the repurchase by the Company of its own Shares. Its purpose is to provide Shareholders with all the information reasonably necessary for them to make an informed decision on whether to vote for or against the ordinary resolution approving the Repurchase Mandate at the Annual General Meeting.

### **SHARE REPURCHASE RULES**

The Listing Rules contain provisions to regulate the repurchase by companies with primary listings on the Stock Exchange of their own securities on the Stock Exchange (the “Share Repurchase Rules”).

Under the Share Repurchase Rules, any share repurchase by a company with a primary listing on the Stock Exchange has to comply with the following provisions:

**(a) Shareholders’ Approval**

All on-market share repurchases by a company must be approved in advance by an ordinary resolution, either by way of a general mandate or by a specific approval in relation to specific transactions. The Shares to be repurchased must be fully paid up.

**(b) Source of Funds**

Repurchases must be funded out of funds which are legally available for the purpose in accordance with the Memorandum of Association and Bye-laws of the Company and the laws of Bermuda.

### **SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised of 1,109,803,182 Shares of HK\$0.25 each. In addition, as at the Latest Practicable Date, there were outstanding options carrying the rights to subscribe up to an aggregate of 75,270,047 Shares. If such options are exercised in full on or prior to the date of passing of the resolution in respect of the Repurchase Mandate, and assuming that no further Shares are or will be issued or repurchased by the Company, a further 75,270,047 Shares will be in issue.

### **REASONS FOR SHARE REPURCHASE**

Although the Directors have no present intention to repurchase any Share, they believe that it is in the best interests of the Company and its Shareholders for the Directors to have a general authority from the Shareholders as to enable the Company to repurchase Shares in the market. At any time in the future when Shares are trading at a discount to their underlying value, the ability of the Company to repurchase Shares will be beneficial to those Shareholders who retain their investment in the Company since their percentage interest in the assets of the Company would increase in proportion to the number of Shares repurchased by the Company, thereby resulting in an increase in net assets and/or earning per share of the Company. Such repurchases will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

Subject to the passing of the ordinary resolution approving the Repurchase Mandate, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 110,980,318 Shares on the basis that no further Shares will be issued prior to the date of the Annual General Meeting.

### **FUNDING OF REPURCHASES**

The Directors propose that repurchases of Shares under the Repurchase Mandate would be financed from the Company's internal resources. In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Memorandum of Association, the Bye-laws and the laws of Bermuda.

The Company is empowered by its Memorandum of Association and the Bye-laws to repurchase its Shares. Bermuda law provides that the consideration paid in connection with a Share repurchase may only be paid out of the capital paid-up on the relevant Shares, or the funds of the Company that would otherwise be available for dividend or distribution or the proceeds of a fresh issue of Shares made for such purpose. The amount of premium payable on repurchase may only be paid out of funds of the Company that would otherwise be available for dividend or distribution or out of the share premium account of the Company before the Shares are repurchased.

Further, the Companies Act provided that a company may not repurchase its own shares if on the date on which the repurchase is to be effected, there are reasonable grounds for believing that the company is, or after the repurchase would be, unable to pay its liabilities as they become due.

No material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the Annual Report for the year ended 31st December, 2004) is anticipated in the event that the Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period. 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. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are purchased will be decided by the Directors at the relevant time having regard to the circumstances then pertaining.

**SHARE PRICES**

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

	Shares	
	Highest price <i>HK\$</i>	Lowest price <i>HK\$</i>
<b>2004</b>		
April	2.091	1.745
May	1.818	1.240
June	1.530	1.080
July	1.410	1.150
August	1.260	1.090
September	1.480	1.120
October	1.710	1.350
November	1.640	1.460
December	1.490	1.320
<b>2005</b>		
January	1.780	1.340
February	1.860	1.670
March	1.860	1.640
April (up to and including the Latest Practicable Date)	1.750	1.650

**SHARES PURCHASES MADE BY THE COMPANY**

No purchase of Shares has been made by the Company during the last six months (whether on the Stock Exchange or otherwise).

**DIRECTORS' UNDERTAKING**

The Directors have undertaken to the Stock Exchange to exercise the powers of the Company to make purchases under the Repurchase Mandate in accordance with the Listing Rules and the laws of Bermuda as far as they may be applicable.

**EFFECT ON THE TAKEOVERS CODE**

If as a result of a share repurchase by the Company, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a Shareholder, or group of Shareholders acting in concert (as defined in the Takeovers Code), depending on the level of such increase, 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, Well Success Investment Limited, the single largest substantial Shareholder of the Company, holds approximately 60.52% of the issued share capital of the Company. In the event that the Directors exercise in full the power to repurchase Shares in accordance with the terms of the relevant ordinary resolution to be proposed at the Annual General Meeting, the total interests of that substantial Shareholder in the issued Shares would be increased to approximately 67.24% of the total issued share capital of the Company (on the basis that no Shares are issued or repurchased by the Company prior to the Annual General Meeting). The Directors are not aware of any consequences which will arise under the Takeovers Code as a result of any repurchases to be made under the Repurchase Mandate.

#### **DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS**

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their associates presently intends to sell Shares in the Company to the Company or its subsidiaries in the event that the Repurchase Mandate is approved by the Shareholders of the Company.

The Company has not been notified by any connected persons (as defined in the Listing Rules) that they have a present intention to sell any Shares, or that they have undertaken not to sell any Shares held by them to the Company in the event that the Repurchase Mandate is approved by the Shareholders.

#### **SHAREHOLDER'S APPROVAL**

The Listing Rules provides that all proposed repurchases of securities by a company with 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 of a particular transaction.

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## NOTICE OF ANNUAL GENERAL MEETING

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SYMPHONY

# SYMPHONY HOLDINGS LIMITED

(新豐集團有限公司)\*

*(Incorporated in Bermuda with limited liability)*

(Stock code: 1223)

**NOTICE IS HEREBY GIVEN** that an annual general meeting (the “Annual General Meeting”) of the shareholders (the “Shareholders”) of Symphony Holdings Limited (the “Company”) will be held at 10th Floor, Island Place Tower, 510 King’s Road, North Point, Hong Kong on Tuesday, 10th May, 2005 at 10:30 a.m. for the following purposes:

### ORDINARY RESOLUTIONS

1. To receive and consider the audited financial statements of the Company and the reports of the directors and the auditors for the year ended 31st December, 2004;
2. To declare a final dividend for the year ended 31st December, 2004;
3.
  - (a) To accept the retirement of Mr. Chan Lu Min as a director of the Company (“Director”) pursuant to the existing bye-law 87 of the Company and to re-elect Mr. Chan Lu Min as a Director;
  - (b) To accept the retirement of Mr. Chan Ting Chuen as a Director pursuant to the existing bye-law 87 of the Company and to re-elect Mr. Chan Ting Chuen as a Director;
  - (c) To accept the retirement of Mr. Li I Nan as a director of the Company pursuant to existing bye-law 87 of the Company and to re-elect Mr. Li I Nan as a Director; and
  - (d) To elect Directors and to authorize the board of directors (the “Board”) to fix their remuneration.
4. To appoint auditors and to authorize the Board to fix their remuneration;

\* For identification purposes only

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## NOTICE OF ANNUAL GENERAL MEETING

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To consider as special business and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions of the Company:

5. **“THAT**

- (a) subject to sub-paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase Shares issued by the Company and to make offers, agreements and options (including warrants) which would or might require the exercise of such powers, subject to and in accordance with all applicable laws and the requirements of the Listing Rules and the Bye-laws of the Company, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares of the Company to be repurchased pursuant to the approval in sub-paragraph (a) of this resolution during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution, and the said approval shall be limited accordingly; and
- (c) for the purpose of this resolution,

“Relevant Period” means the period from the date of 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 revocation or variation of the authority given under this resolution by ordinary resolution of the Shareholders of the Company in general meeting; and
- (iii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable laws to be held.”;

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## NOTICE OF ANNUAL GENERAL MEETING

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6. “THAT

- (a) subject to sub-paragraph (c) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional Shares and to make or grant offers, agreements and options (including warrants) which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in sub-paragraph (a) of this resolution shall authorize the Directors during the Relevant Period to make or grant offers, agreements and options (including warrants) which would or might require the exercise of the powers to allot, issue and deal with additional Shares in the capital of the Company under sub-paragraph (a) of this resolution 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) and issued by the Directors pursuant to the approval in sub-paragraph (a) of this resolution, otherwise than pursuant to a Rights Issue (as hereinafter defined) or upon the exercise of rights of subscription or conversion under any outstanding warrants to subscribe for Shares or any securities which are convertible into Shares of the Company or the share option scheme of the Company or similar arrangement for the time being adopted for the grant or issue to employees of the Company and/or any of its subsidiaries of Shares or rights to acquire Shares of the Company, or any scrip dividend scheme or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares 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 on the date of the 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 date of 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 revocation or variation of the authority given under this resolution by ordinary resolution of the Shareholders in general meeting; and
- (iii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable laws to be held; and

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## NOTICE OF ANNUAL GENERAL MEETING

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“Rights Issue” means an offer of Shares open for a period fixed by the Directors to Shareholders on the register on a fixed record date in proportion to their then holdings of such Shares (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 applicable to the Company).”;

7. “**THAT** conditional upon the passing of the ordinary resolutions numbers 5 and 6 set out in the notice convening this meeting being passed, the general mandate granted to the Directors to allot, issue and deal with additional Shares pursuant to ordinary resolution number 6 above be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the share capital of the Company under the authority granted pursuant to ordinary resolution number 5 above, provided that such amount shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company at the date of passing this resolution.”

By order of the Board

**Anna Chow**

*Company Secretary*

Hong Kong

18th April, 2005

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## NOTICE OF ANNUAL GENERAL MEETING

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*Notes:*

- (a) A member, who is the holder of two or more shares, entitled to attend and vote at the meeting is entitled to appoint more than one proxy to attend and 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 each such proxy is so appointed provided that on a show of hands, all proxies appointed by an individual shareholder shall, collectively, be entitled to one vote only.
- (b) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorized in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorized to sign the same.
- (c) A form of proxy for the meeting is enclosed. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, must be lodged with the branch share registrars of the Company in Hong Kong, Tengis Limited at Ground Floor, BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the meeting or any adjournment thereof.
- (d) Delivery of an instrument appointing a proxy shall not preclude a member of the Company from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (e) The register of members of the Company will be closed for the purpose of determining the entitlements to the proposed final dividend from 4th May, 2005 to 10th May, 2005, both dates inclusive, during which period no transfers of shares shall be effected. In order to qualify for the proposed final dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the branch share registrars of the Company in Hong Kong, Tengis Limited at Ground Floor, BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong for registration by 4:30 p.m. on 3rd May, 2005.