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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, a bank manager, solicitor, professional accountant or other professional advisor.

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

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STELUX Holdings International Limited

寶光實業(國際)有限公司*

<http://www.irasia.com/listco/hk/stelux>

(Incorporated in Bermuda with limited liability)

(STOCK CODE: 84)

GENERAL MANDATES TO REPURCHASE SHARES AND TO ISSUE NEW SHARES RE-ELECTION OF DIRECTORS

PROPOSED AMENDMENTS TO THE COMPANY'S BYE-LAWS AND NOTICE OF ANNUAL GENERAL MEETING

The notice of the annual general meeting of Stelux Holdings International Limited to be held at 5/F., Stelux House, 698 Prince Edward Road East, San Po Kong, Kowloon, Hong Kong on Monday, 6th September, 2004 at 2:30 p.m. is set out on pages 9 to 16 of this circular. Whether or not you are able to attend the meeting, you are requested to complete and return the 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 appointed for holding the meeting.

STELUX Holdings International Limited

寶光實業(國際)有限公司*

<http://www.irasia.com/listco/hk/stelux>

(Incorporated in Bermuda with limited liability)

(STOCK CODE: 84)

Board of Directors

Executive Directors:

Wong Chong Po (*Chairman*)

Chumphol Kanjanapas, alias Joseph C. C. Wong
(*Vice Chairman and Chief Executive Officer*)

Anthony Chu Kai Wah

Stan Lee Shu Chung

Wong Yuk Woon

Non-executive Directors:

Sakorn Kanjanapas

Kwong Yiu Chung (*independent*)

Sydney Chu Chun Keung (*independent*)

Registered office:

Canon's Court
22 Victoria Street
Hamilton, HM12
Bermuda

Principal office:

27th Floor, Stelux House
698 Prince Edward Road East
San Po Kong
Kowloon
Hong Kong

29th July, 2004

To the Shareholders

Dear Sir or Madam,

GENERAL MANDATES TO REPURCHASE SHARES AND TO ISSUE NEW SHARES RE-ELECTION OF DIRECTORS

PROPOSED AMENDMENTS TO THE COMPANY'S BYE-LAWS AND NOTICE OF ANNUAL GENERAL MEETING

INTRODUCTION

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the Annual General Meeting of Stelux Holdings International Limited ("**Company**") to be held on Monday, 6th September, 2004 ("**Annual General Meeting**"). These include (i) the ordinary resolutions granting the Directors of the Company ("**Directors**") general mandates to issue and repurchase shares of the Company; (ii) the ordinary resolutions proposing re-election of Directors who are due to retire at the Annual General Meeting; and (iii) the special resolution amending the Company's bye-laws ("**Bye-laws**").

* For identification purpose only

LETTER FROM THE BOARD

GENERAL MANDATES TO REPURCHASE SHARES AND TO ISSUE NEW SHARES

At the Annual General Meeting of the Company held on 5th September, 2003, ordinary resolutions were passed giving general mandates to the Directors (i) to repurchase shares of the Company on The Stock Exchange of Hong Kong Limited (“**the Stock Exchange**”) of up to 10 per cent of the issued share capital of the Company as at 5th September, 2003 and (ii) to allot, issue and otherwise deal with additional shares of the Company up to a limit equal to (a) 20 per cent of the shares of the Company in issue as at 5th September, 2003 plus (b) the nominal amount of any shares repurchased by the Company.

Under the terms of the Rules Governing the Listing of Securities on the Stock Exchange (“**the Listing Rules**”), these general mandates will lapse at the conclusion of the Annual General Meeting of the Company for 2004 unless renewed at that meeting. Ordinary resolutions will be proposed to renew the mandate to repurchase shares (“**Repurchase Mandate**”) and the mandate to issue shares and the explanatory statement required by the Listing Rules to be sent to the shareholders in connection with the proposed Repurchase Mandate is set out in Appendix I to the circular.

RE-ELECTION OF DIRECTORS

In accordance with Bye-law 110(A), Mr. Wong Yuk Woon and Mr. Kwong Yiu Chung will retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

The particulars of these two Directors which are required to be disclosed by the Listing Rules are set out in Appendix II to this circular.

PROPOSED AMENDMENTS TO THE BYE-LAWS OF THE COMPANY

A special resolution will also be proposed at the Annual General Meeting to amend the Bye-laws. The principal purposes of the proposed amendments are to update the Bye-laws in order to reflect the recent amendments made to the Listing Rules (effective on 31st March, 2004) and to clarify (or ratify) certain unclear provisions (or typographical errors) in the existing Bye-laws. These amendments include:

- updating the definitions of terms like “associate”, “clearing house”, “Listing Rules” and “Hong Kong” (proposed amendments to Bye-law 1).
- incorporating the amendments made to Appendix 3 to the Listing Rules in relation to the period within which the intention to propose a person for election as a director should be given to the Company, and the exceptions to prohibitions on directors’ voting (proposed amendments to Bye-laws 85A, 109B and 115).
- formalising the office of “Chairman”, “Vice-Chairman” and “Chief Executive Officer” by replacing the references to “President” and “Vice-President” and adding references to “Chief Executive Officer” (proposed amendments to Bye-laws 107A, 110(A), 123, 126, 131 and 188).
- clarifying the notice period for convening annual general meetings and special general meetings (proposed amendments to Bye-laws 1, 71).

LETTER FROM THE BOARD

The text of the proposed amendments are set out in the notice convening the Annual General Meeting set out in pages 9 to 16 of this circular.

GENERAL INFORMATION

The ordinary resolutions and special resolution mentioned above are set out in full in the Notice set out on pages 9 to 16 of this circular. Your right to demand a poll, and the procedures for demanding a poll on the proposed resolutions at the Annual General Meeting are set out in Appendix III to this circular.

ANNUAL REPORT AND ANNUAL GENERAL MEETING

A copy of the annual report of the Company for the year ended 31st March, 2004 is enclosed for your review.

The notice of the Annual General Meeting proposed to be held at 5/F., Stelux House, 698 Prince Edward Road East, San Po Kong, Kowloon, Hong Kong on Monday, 6th September, 2004 at 2:30 p.m. is set out on pages 9 to 16 of this circular. At the Annual General Meeting, ordinary resolutions mentioned above will be proposed to approve the general mandates to repurchase and to issue shares of the Company and the special resolution mentioned above will be proposed to approve amendments to the Company's Bye-laws.

A form of proxy for use at the Annual General Meeting is enclosed. Whether or not you are able to attend the meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's Registrars in Hong Kong at 1901-5, 19th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event, so as to be received not less than 48 hours before the time appointed for the holding of the meeting. Completion and delivery of the form of proxy will not prevent you from attending and voting at the meeting if you so wish.

RECOMMENDATION

The Directors consider that the ordinary resolutions and the special resolution as set out respectively in the Notice are all in the best interests of the Company and its shareholders. Accordingly, the Directors recommend you to vote in favour of such resolutions at the Annual General Meeting.

Yours faithfully,
On behalf of the Board
Joseph C.C. Wong
Vice Chairman and Chief Executive Officer

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide information to you with regard to the Repurchase Mandate.

1. THE LISTING RULES

The Listing Rules provide that all proposed repurchases of securities by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of shareholders, either by way of general mandate or by specific approval of a particular transaction.

2. SHARE CAPITAL

As at 30th June, 2004 (the latest practicable date prior to the printing of this circular) (“**Latest Practicable Date**”), the issued share capital of the Company comprised 943,340,023 shares of HK\$0.10 each of the Company (“**Shares**”). Subject to the passing of the necessary ordinary resolutions and on the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, exercise in full of the Repurchase Mandate could accordingly result in up to 94,334,002 Shares being repurchased by the Company during the course of the period prior to the next annual general meeting.

3. REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and its shareholders to have a general authority from shareholders to enable the Directors to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and its shareholders.

4. FUNDING OF REPURCHASES

Repurchases of Shares will be funded entirely from the Company’s available cash flow or working capital facilities, which will be funds legally available for the purchase in accordance with the Memorandum of Association and Bye-Laws and the applicable laws of Bermuda. There might be adverse effect on the working capital or gearing of the Company upon the full exercise of the Repurchase Mandate when compared with the working capital and gearing position disclosed in the audited accounts contained in the annual report for the year ended 31st March, 2004. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. GENERAL

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their associates as defined in the Listing Rules, have any present intention to sell any Shares to the Company if the Repurchase Mandate is approved by shareholders. No connected person (as defined in the Listing Rules) has notified the Company that he has a present intention to sell Shares to the Company, or has undertaken not to do so, if the Repurchase Mandate is approved by shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will only exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Bermuda. The Directors are not aware of any consequences which could arise under the Hong Kong Code on Takeovers and Mergers (the “Takeover Code”) as a consequence of any repurchases pursuant to the Repurchase Mandate. However, if as a result of a share repurchase 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 Takeover Code. Accordingly, a shareholder or a group of shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeover Code. As at the Latest Practicable Date, the Company’s controlling shareholder, the estate of Mr. Wong Chue Meng was interested, whether directly or indirectly, in 70.42% of the Company’s Shares. Shares, if repurchased by the Company during the course of the period prior to the next annual general meeting resulting in a full exercise of the Repurchase Mandate would mean that the estate of Mr. Wong Chue Meng would be interested, whether directly or indirectly, in 78.25% of the Company’s Shares. Any purchase of Shares which results in the amount of Shares held by the public being reduced to less than 25 per cent could only be implemented with the agreement of the Stock Exchange. Except in extraordinary circumstances, such agreement would not normally be given by the Stock Exchange. Moreover, the Directors have no present intention to exercise the power of the Company to repurchase Shares to such an extent as would result in the number of Shares in public hands falling below 25 per cent.

6. SHARE PRICES

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

Month	Highest HK\$	Lowest HK\$
2004		
June	0.300	0.270
May	0.290	0.230
April	0.340	0.255
March	0.350	0.275
February	0.350	0.285
January	0.360	0.250
2003		
December	0.290	0.250
November	0.270	0.242
October	0.310	0.245
September	0.450	0.200
August	0.260	0.165
July	0.300	0.070

7. SHARE PURCHASES MADE BY THE COMPANY

The Company has not purchased any of its Shares (whether on the Stock Exchange or otherwise) in the six months preceding the date of this circular.

The following are the particulars (as required by the Listing Rules) of the two Directors who will retire and, being eligible, offer themselves for re-election at the Annual General Meeting to be held on 6th September, 2004.

Mr. Wong Yuk Woon, aged 58, was appointed an Executive Director of the Group in 1997 and is responsible for the Group's Financial and Corporate Affairs. He joined the Group in 1992.

Mr. Wong is not related to any other directors, senior management or substantial or controlling shareholders of the Company. He does not have any appointments with listed companies other than the Company for the last 3 years.

Mr. Wong has been appointed as an executive director for a term (subject to retirement by rotation according to the Company's Bye-law 110(A)) pursuant to which Mr. Wong is entitled to a director's fee of HK\$80,000.00 per annum. The basis of determination of his director's fee is by reference to the market terms, and performance, qualification and experience of Mr. Wong.

Mr. Kwong Yiu Chung, aged 71, was appointed a director of the Group in 1994 and is Managing Director of his privately owned Excess Trading Company Limited. He is an independent non-executive director.

Mr. Kwong is not related to any other directors, senior management or substantial or controlling shareholders of the Company. He does not have any appointments with listed companies other than the Company for the last 3 years.

Mr. Kwong has been appointed as a non-executive director for a term (subject to retirement by rotation according to the Company's Bye-law 110(A)) pursuant to which Mr. Kwong is entitled to a director's fee of HK\$80,000.00 per annum. The basis of determination of his director's fee is by reference to the market terms, and performance, qualification and experience of Mr. Kwong.

Neither Mr. Wong Yuk Woon nor Mr. Kwong Yiu Chung has a service contract with the Company which is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

As at the Latest Practicable Date, the interests and short positions of Mr. Wong and Mr. Kwong in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), the Model Code for Securities Transactions by Directors of Listed Companies and which were required to be entered in the register required to be kept under section 352 of the SFO were as follows:

All interests disclosed below represent long position in shares of the Company:

(a) **The Company – Ordinary Shares**

Name of Director	Number of Shares			Total	Approximate percentage of issued share capital as at the Latest Practicable Date
	Personal Interests	Family Interests	Corporate Interests		
Mr. Wong Yuk Woon	1,000,000	–	–	1,000,000	0.11%
Mr. Kwong Yiu Chung	–	–	–	–	–

(b) **The Company – Number of options to subscribe for ordinary shares of HK\$0.1 each**

Name of Director	Number of Options			Total	Approximate percentage of issued share capital as at the Latest Practicable Date
	Personal Interests	Family Interests	Corporate Interests		
Mr. Wong Yuk Woon	1,000,000 (Note)	–	–	1,000,000	0.11%
Mr. Kwong Yiu Chung	–	–	–	–	–

Notes: 1,000,000 options were granted on 17 January 2000 and exercisable at HK\$0.248 per share during the period from 17 January 2000 to 16 January 2005.

The Company's Bye-laws 78, 79 and 80 set out the procedure by which shareholders may demand a poll:

1. Bye-law 78

At any general meeting a resolution 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 hands or on the withdrawal of any other demand for a poll) demanded:–

- (i) by the Chairman of the meeting; or
- (ii) by at least three members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (iii) by any member or members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (iv) by a member or members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Unless a poll be so demanded and not withdrawn, a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour or against such resolution.

2. Bye-law 79

If a poll is demanded as aforesaid, it shall (subject as provided in Bye-law 80) be taken in such manner (including the use of ballot or voting papers or tickets) and at such time and place, not being more than thirty days from the date of the meeting or adjourned meeting at which the poll was demanded, as the Chairman directs. No notice need be given of a poll not taken immediately. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn, with the consent of the Chairman, at any time before the close of the meeting or the taking of the poll, whichever is the earlier.

3. Bye-law 80

Any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment shall be taken at the meeting and without adjournment.

NOTICE OF ANNUAL GENERAL MEETING

STELUX Holdings International Limited

寶光實業(國際)有限公司*

<http://www.irasia.com/listco/hk/stelux>

(Incorporated in Bermuda with limited liability)

(STOCK CODE: 84)

NOTICE IS HEREBY GIVEN that the annual general meeting of Stelux Holdings International Limited (the “**Company**”) will be held at 5/F., Stelux House, 698 Prince Edward Road East, San Po Kong, Kowloon, Hong Kong on Monday, 6th September, 2004 at 2:30 p.m. for the following purposes:–

1. To receive and consider the audited financial statements of the Company and the reports of the Directors and Auditors thereon for the year ended 31st March, 2004.
2. To declare a final dividend for the year ended 31st March, 2004.
3. To elect Directors, to fix the maximum number of directors and to authorise the Board to fix the remuneration of the Directors for the ensuing year.
4. To consider and, if thought fit, re-appoint PricewaterhouseCoopers as Auditors of the Company to hold office from the conclusion of the meeting until the conclusion of the next annual general meeting of the Company and to authorise the Directors to fix their remuneration.
5. As special businesses, to consider and, if thought fit, adopt with or without amendments, the following ordinary resolutions:

ORDINARY RESOLUTIONS

(A) “**THAT:**

- (i) subject to paragraph (ii) below, the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to purchase shares of the Company be and it is hereby generally and unconditionally approved;
- (ii) the aggregate nominal amount of shares which may be purchased on The Stock Exchange of Hong Kong Limited or any other stock exchange recognised for this purpose by the Securities and Futures Commission of Hong Kong and The Stock Exchange of Hong Kong Limited under the Hong Kong Code on Share Repurchases pursuant to the approval in paragraph (i) above shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this resolution, and the said approval shall be limited accordingly; and
- (iii) for the purpose of this resolution “Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:
 - (a) the conclusion of the next annual general meeting of the Company;

* For identification purpose only

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- (b) 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 The Companies Act 1981 of Bermuda (as amended) to be held; and
- (c) the revocation or variation of the authority given under this resolution by ordinary resolution of the shareholders in general meeting.”

(B) **“THAT:**

- (i) subject to paragraph (iii) below and subject to the consent of the Bermuda Monetary Authority, the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such power be and it is hereby generally and unconditionally approved;
- (ii) the approval in paragraph (i) shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
- (iii) 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 (i), otherwise than pursuant to (a) a Rights Issue, (b) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company (c) any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company or (d) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company, shall not exceed the aggregate of: (aa) 20 per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this resolution and (bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal amount of share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this resolution), and the said approval shall be limited accordingly; and
- (iv) for the purposes of this resolution:

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

- (a) the conclusion of the next annual general meeting of the Company;

NOTICE OF ANNUAL GENERAL MEETING

- (b) 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 the Companies Act 1981 of Bermuda (as amended) to be held; and
- (c) the revocation or variation of the approval given by this resolution by ordinary resolution of the shareholders in general meeting; and

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

- (C) “**THAT** the Directors of the Company be and they are hereby authorised to exercise the powers of the Company referred to in paragraph (i) of the resolution set out as resolution (B) in the notice of the meeting of which this resolution forms a part in respect of the share capital of the Company referred to in subparagraph (bb) of paragraph (iii) of such resolution.”
6. As special businesses, to consider and, if thought fit, adopt with or without amendments, the following special resolutions:–

SPECIAL RESOLUTIONS

THAT, the Bye-Laws of the Company be amended as follows:–

(A) By:–

- (i) adding the following new definition of “associate(s)” and “Listing Rules” in Bye-Law 1 in appropriate alphabetical order:–

““associate(s)” shall have the meaning attributed to it in the Listing Rules;” and

““Listing Rules” shall mean the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as may be amended from time to time).”

- (ii) deleting the definition of “Hong Kong” and “clearing house” and substituting therefor the following:–

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

NOTICE OF ANNUAL GENERAL MEETING

““clearing house” shall mean a recognised clearing house within the meaning of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) or a clearing house recognised by the laws of a Relevant Territory.”

- (B) By deleting the second last paragraph of Bye-Law 1 and substituting therefor the following:–

“A resolution shall be an ordinary resolution when it has been passed by a simple majority of the votes cast by such members as, being entitled so to do, vote in person or by duly authorised corporate representative or, where proxies are allowed, by proxy at a general meeting held in accordance with these presents and of which not less than 14 days’ notice has been duly given. Provided that, if it is so agreed by a majority in number of the members having a right to attend and vote at any such meeting, being a majority together holding not less than 95 per cent. in nominal value of the shares giving that right, a resolution may be proposed and passed as an ordinary resolution at a meeting of which less than 14 days’ notice has been given.”

- (C) By deleting the first sentence of Bye-Law 71 and substituting therefor the following:–

“An annual general meeting or a special general meeting called for the passing of a special resolution shall be called by twenty-one days’ notice in writing at the least, and a special general meeting of the Company (other than an annual general meeting or a special general meeting called for the passing of a special resolution) shall be called by at least fourteen days’ notice in writing.”

- (D) By inserting the following new Bye-Law 85A after the existing Bye-Law 85:–

“85A. Where any member is, under the Listing Rules, 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.”

- (E) By deleting the existing Bye-Law 107(A) and substituting therefor the following new Bye-Law 107(A):–

“107(A). Notwithstanding Bye-laws 104, 105 and 106, the remuneration of a Chairman, Vice-Chairman, Managing Director, Chief Executive Officer, Joint Managing Director, Deputy Managing Director or any positions analogous to the foregoing or other Executive Director or a Director appointed to any other office in the management of the Company shall from time to time be fixed by the Board and may be by way of salary, commission, or participation in profits or otherwise or by all or any of those modes and with such other benefits (including pension and/or gratuity and/or other benefits on retirement) and allowances as the Board may from time to time decide. Such remuneration shall be in addition to his remuneration as a Director.”

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(F) By deleting the existing Bye-Law 109(B)(ii) and substituting therefor the following new Bye-Law 109(B)(ii):-

“(ii) A Director shall not vote (nor shall he be counted in the quorum) on any resolution of the Board in respect of any contract or arrangement or proposal in which he or any of his associate(s) has/have a material interest, and if he shall do so his vote shall not be counted (nor shall he be counted in the quorum for that resolution), but this prohibition shall not apply to any of the following matters namely:-

(i) the giving of any security or indemnity either:-

(a) to the Director or his associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries; or

(b) 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 and whether alone or jointly under a guarantee or indemnity or by the giving of security;

(ii) any proposal 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;

(iii) any proposal 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 shareholder or in which the Director or his associate(s) is/are beneficially interested in shares of that company, provided that the Director and any of his associates are not in aggregate beneficially interested in 5% or more of the issued shares of any class of such company (or of any third company through which his interest or that of his associate(s) is derived) or of the voting rights;

(iv) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:-

(a) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which the Director or his associate(s) may benefit; or

NOTICE OF ANNUAL GENERAL MEETING

- (b) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates to a Director, his associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or his associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and
- (v) 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 by virtue only of his/their interest in shares or debentures or other securities of the Company.”
- (G) By deleting the existing Bye-Law 110(A) and substituting therefor the following new Bye-Law 110(A):–
- “110(A) At each annual general meeting one-third of the Directors for the time being or, if their number is not three or a multiple of three, then the number nearest one-third, shall retire from office, Provided that no Director holding office as Chairman, Vice-Chairman, Managing Director, Joint Managing Director, Deputy Managing Director or Chief Executive Officer shall be subject to retirement by rotation or taken into account in determining the number of Directors to retire. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree between themselves) be determined by lot. The retiring Directors shall be eligible for re-election.”
- (H) By deleting the existing Bye-Law 115 and substituting thereof the following new Bye-Law 115:–
- “115. No person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been lodged at the Head Office or at the Registration Office at least seven days before the date of the general meeting. The period for lodgment of the notices required under this Bye-law will commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting.”
- (I) By deleting the existing Bye-Law 123 and substituting therefor the following new Bye-Law 123:–
- “123. The Board may elect from their number a Chairman and/or Vice-Chairman and the Board may also from time to time appoint any one or more of its body to the office of Managing Director, Chief Executive Officer, Joint Managing Director, Deputy Managing

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Director or any positions analogous to the foregoing or other Executive Director and/or such other office in the management of the business of the Company as it may decide for such period and upon such terms as it thinks fit and upon such terms as to remuneration as it may decide in accordance with Bye-law 107.”

- (J) By deleting the existing Bye-Law 126 and substituting therefor the following new Bye-Law 126:–

“126. The Board may from time to time entrust to and confer upon a Chairman, Vice-Chairman, Managing Director, Chief Executive Officer, Joint Managing Director, Deputy Managing Director or any positions analogous to the foregoing or Executive Director all or any of the powers of the Board that it may think fit provided that the exercise of all powers by such Director shall be subject to such regulations and restrictions as the Board may from time to time make and impose, and the said powers may at any time be withdrawn, revoked or varied, but no person dealing in good faith and without notice of such withdrawal, revocation or variation shall be affected thereby.”

- (K) By amending Bye-law 131 so that the words “Deputy Chairman” are replaced by the words “Vice Chairman” where they appear.

- (L) By deleting the word “represented” in the first line of Bye-Law 152. (A) (iv) and substituting thereof the word “represented”.

- (M) By deleting the existing Bye-Law 188 and substituting therefor the following new Bye-Law 188.

“188. Save and except so far as the provisions of this Bye-law shall be avoided by any provisions of the Statutes, the Board, Chairman, Vice-Chairman, Managing Director, Chief Executive Officer, Joint Managing Director, Deputy Managing Director, alternate Directors, or any positions analogous to the foregoing, Secretary and other officers for the time being of the Company and the trustees (if any) for the time being acting in relation to any of the affairs of the Company, and their respective executors or administrators, shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their executors or administrators, shall or may incur or sustain by reason of any act done, concurred in or omitted in or about the execution of their duty or supposed duty in their respective offices or trusts, except such (if any) as they shall incur or sustain through their own wilful neglect or default, fraud and dishonesty respectively, and none of them shall be answerable for the act, receipts, neglects or defaults of any other of them, or for joining in any receipt for the sake of conformity, or for any bankers or other persons with whom any moneys or effects of the Company shall be lodged or deposited for safe custody, or for the

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insufficiency or deficiency of any security upon which any moneys of the Company shall be placed out or invested, or for any other loss, misfortune, or damage which may happen in the execution of their respective offices or trusts, or in relation thereto, except as the same shall happen by or through their own wilful neglect or default, fraud and dishonesty respectively.”

On behalf of the Board
Wong Yuk Woon
Director

Hong Kong, 29th July, 2004

Directors of the Company as at the date hereof:

Executive Directors:

Wong Chong Po (*Chairman*), Chumphol Kanjanapas (alias Joseph C. C. Wong) (*Vice Chairman and Chief Executive Officer*), Anthony Chu Kai Wah, Stan Lee Shu Chung and Wong Yuk Woon

Non-Executive Directors:

Sakorn Kanjanapas, Kwong Yiu Chung (*independent*) and Sydney Chu Chun Keung (*independent*)

Principal Office:

27/F., Stelux House
698 Prince Edward Road East
San Po Kong
Kowloon
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, on a poll, vote on his behalf. A proxy need not be a member of the Company.
2. 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 of authority, shall be delivered to the Company's Hong Kong registrar, Computershare Hong Kong Investor Services Limited, 1901-5, 19th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time fixed for holding the meeting or any adjourned meeting.
3. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. The Register of Members of the Company will be closed from 1st September, 2004 to 6th September, 2004 both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the entitlement to the proposed final dividends for the year ended 31st March, 2004, all transfers accompanied by the relevant share certificates must be lodged with Company's Hong Kong Registrar, Computershare Hong Kong Investor Services Limited, 1901-5, 19th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:00 p.m. on 31st August, 2004. Final dividends will be payable on or about 13th September, 2004.
5. In relation to agenda item 3 in the Notice regarding election of Directors, Mr. Wong Yuk Woon and Mr. Kwong Yiu Chung will retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election. The biography of the said directors to be re-elected at the Annual General Meeting and their interests in the securities of the Company are set out in Appendix II to the circular to which this notice is attached.