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If you have sold or transferred all your shares of Graneagle Holdings Limited, you should at once hand this circular to the purchaser or to the bank or stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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GRANEAGLE HOLDINGS LIMITED

(鷹馳實業有限公司#)

(Incorporated in Bermuda with limited liability)

(Stock Code: 00147)

**PROPOSALS FOR GENERAL MANDATES TO ISSUE NEW SHARES AND
TO REPURCHASE SHARES, AMENDMENTS TO THE BYE-LAWS,
RE-ELECTION OF DIRECTORS
AND
NOTICE OF AGM**

A notice convening the annual general meeting ("AGM") of Graneagle Holdings Limited (the "Company") to be held at Suite 1114, Lippo Sun Plaza, 28 Canton Road, Tsimshatsui, Kowloon, Hong Kong on Friday, 16 September 2005 at 11:00 a.m. is set out on page 13 to 16 in this circular. A form of proxy for use by the Shareholders at the AGM is enclosed with the 2005 Annual Report, which has been despatched to the Shareholders together with this circular. If you are unable to attend the AGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's principal place of business in Hong Kong at Suite 1114, Lippo Sun Plaza, 28 Canton Road, Tsimshatsui, Kowloon, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for the holding of the AGM. Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the AGM should you so wish.

29 July 2005

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DEFINITIONS

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

“2005 Annual Report”	the audited consolidated financial statements and the reports of the Directors and of the auditors of the Company for the year ended 31 March 2005
“AGM”	the annual general meeting of the Company to be convened and held at Suite 1114, Lippo Sun Plaza, 28 Canton Road, Tsimshastui, Kowloon, Hong Kong on Friday, 16 September 2005 at 11:00 a.m.
“Board”	the Company’s board of Directors
“Business Day”	a day on which banks in Hong Kong are open for general business other than a Saturday or Sunday or a day on which a black rainstorm warning or tropical cyclone warning signal number 8 or above is hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon
“Bye-law(s)”	the bye-law(s) of the Company in force from time to time
“Companies Act”	the Companies Act 1981 of Bermuda as amended from time to time
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Company”	Graneagle Holdings Limited, a company incorporated in Bermuda with limited liability, with its Shares listed on the main board of the Stock Exchange
“Contract”	in relation to an employee or a director, his/her contract of employment or service contract or terms of appointment with his/her Employer (as amended from time to time), whether or not such contract is written or oral and comprised in one or more documents
“Director(s)”	the director(s) of the Company including executive and non-executive directors
“General Issue Mandate”	the proposed general mandate granted to the Directors to exercise all the powers of the Company to allot, issue and otherwise deal with new Shares not exceeding 20% of the issued share capital of the Company as at the date of passing the resolution approving the said mandate

DEFINITIONS

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Non-Executive Director”	in relation to any company, a person who from time to time is an independent non-executive director of that company within the meaning of Rule 3.13 of the Listing Rules
“Latest Practicable Date”	25 July 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
“Repurchase Mandate”	the general and unconditional mandate to repurchase shares in the capital of the Company up to 10% of the aggregate nominal amount of the issued and fully paid share capital of the Company as at the date of passing of the resolution granting such mandate
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	registered holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholder”	has the meaning as defined in the Listing Rules
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers



GRANEAGLE HOLDINGS LIMITED

(鷹馳實業有限公司#)

(Incorporated in Bermuda with limited liability)

(Stock Code: 00147)

Executive Directors:

Mr. Kong Ho Pak (*Chairman*)
Mr. Ling Tai Yuk, John
Mr. Pang Hon Chung

Non-Executive Directors:

Mr. Ng Tze Kin, David
Mr. Chau Wai Yin, Jonathan

Independent Non-Executive Directors:

Mr. Leung Shu Yin, William
Mr. Keir, James
Mr. Lee Tsoh Ching, Jonathan

Registered Office:

Clarendon House,
Church Street,
Hamilton HM 11,
Bermuda

Principal Place of Business in

Hong Kong:

Suite 1114,
Lippo Sun Plaza,
28 Canton Road,
Tsimshatsui, Kowloon,
Hong Kong

29 July 2005

To the Shareholders

Dear Sir or Madam

**PROPOSALS FOR GENERAL MANDATES TO ISSUE NEW SHARES
AND TO REPURCHASE SHARES, AMENDMENTS TO THE BYE-LAWS,
RE-ELECTION OF DIRECTORS AND NOTICE OF AGM**

INTRODUCTION

The purpose of this circular is to provide you with the information relating to (i) the grant of the General Issue Mandate and the Repurchase Mandate; (ii) the proposed amendments to the Bye-laws; and (iii) the re-election of Directors. Your approval of the resolutions relating thereto is therefore sought.

GENERAL ISSUE MANDATE

At the annual general meeting of the Company held on 17 September 2004, a general mandate was given to the Directors to issue new Shares and such mandate will lapse at the conclusion of the forthcoming AGM. An ordinary resolution will be proposed at the AGM for the purpose of renewing the existing share issue mandate granted to Directors to allot, issue and otherwise deal with the Shares. The share issue mandate is subject to a limit equal to 20% of the aggregate nominal amount of the issued capital of the Company at the date of passing such resolution. The Directors have no present intention to issue new Shares pursuant to the General Issue Mandate.

For identification purpose only

GENERAL MANDATE TO REPURCHASE SHARES

At the annual general meeting of the Company held on 17 September 2004, a general mandate was given to the Directors to exercise all the powers of the Company to repurchase its own Shares and such mandate will lapse at the conclusion of the forthcoming AGM. An ordinary resolution will be proposed at the AGM for the purpose of renewing the existing Repurchase Mandate granted to the Directors to repurchase Shares up to a maximum of 10% of the aggregate nominal amount of the issued and fully paid up share capital of the Company as at the date of passing such resolution. An explanatory statement containing all relevant information relating to the proposed Repurchase Mandate is set out in Appendix I to this circular.

GENERAL MANDATE TO EXTEND TO ISSUE SHARES

Subject to the passing at the AGM of the proposed resolutions regarding the General Issue Mandate and the Repurchase Mandate, an ordinary resolution will be proposed at the AGM to approve the extension of the 20% share issue mandate by adding to the share issue mandate the number of shares that may be repurchased under the Repurchase Mandate.

For details of the proposed resolutions, Shareholders are referred to the notice of the AGM which is set out on page 13 to 16 in this circular. With reference to these resolutions, the Board wishes to state that it has no immediate plan to repurchase any Shares or to issue any new Shares pursuant to the relevant mandates.

AMENDMENTS TO THE BYE-LAWS

The recent amendments to the Listing Rules regarding the replacement of the Code of Best Practice in Appendix 14 by a new code on Corporate Governance Practices (the “CG Code”) and the addition of a new Appendix 23 on the requirements for a Corporate Governance Report to be included in annual reports of listed issuers have become effective on 1 January 2005, subject to certain transitional arrangements.

After reviewing the Company’s corporate governance practices with reference to the Code Provisions of the CG Code, the Board proposes to amend Bye-laws 86(2) and 87(1) of the existing Bye-laws to ensure compliance with the CG Code. Pursuant to Code Provision A.4.2, every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. Accordingly, Bye-law 87(1) will be amended to require every Director to retire by rotation at least once every three years. Code Provision A.4.2 also provides that all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment. Accordingly, Bye-law 86(2) will be amended to specify that any Director appointed to fill a casual vacancy shall hold office only until the next following general meeting.

RE-ELECTION OF DIRECTORS

Pursuant to the Bye-law 87(1), Mr. Kong Ho Pak shall retire by rotation and, being eligible, offer himself for re-election.

Pursuant to the Bye-law 86(2), Mr. Keir, James, Mr. Lee Tsoh Ching, Jonathan, Mr. Leung Shu Yin, William and Mr. Chau Wai Yin, Jonathan, who appointed by the Board during the year shall hold office only until the AGM and, being eligible, offer themselves for re-election.

LETTER FROM THE BOARD

The biographical details and interests in the shares of the Company of the retiring Directors are provided in the Appendix II to this circular.

AGM

A notice convening the AGM is set out on page 13 to 16 of this circular. If you are unable to attend the AGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's principal place of business in Hong Kong located at Suite 1114, Lippo Sun Plaza, 28 Canton Road, Tsimshatsui, Kowloon, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof.

PROCEDURE FOR DEMANDING A POLL

Pursuant to the Bye-law 66, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:–

- (a) by the chairman of such meeting; or
- (b) by at least three Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorized representative or by proxy for the time being entitled to vote at the meeting; or
- (c) by a Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorized representative or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or
- (d) by a Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorized representative or by proxy and holding Shares 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.

A demand by a person as proxy for a Shareholder or in case of a Shareholder being a corporation by its duly authorised representative shall be deemed to be the same as a demand by a Shareholder.

RECOMMENDATION

The Directors consider that the proposals for General Issue Mandate, the Repurchase Mandate, the extension of General Issue Mandate, the amendments to the Bye-laws and the re-election of Directors are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend that all the Shareholders should vote in favour of all the ordinary resolutions and the special resolution to be proposed at the AGM.

Yours faithfully
For and on behalf of the Board
Kong Ho Pak
Chairman

This is an explanatory statement given to all Shareholders relating to ordinary resolution to be proposed at the AGM authorising the Repurchase Mandate.

This explanatory statement contains all the information required pursuant to Rule 10.06(1)(b) of the Listing Rules which is set out as follows:

1. SHARE CAPITAL

As at the Latest Practicable Date the issued and fully paid up share capital of the Company comprised 167,031,016 Shares.

Exercised in full of the Repurchase Mandate, if so approved, on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the approval of the Repurchase Mandate, the Company would be allowed under the repurchase resolution to repurchase a maximum of 16,703,101 Shares during the period from the date on which such resolution is passed until the date of (i) conclusion of the next AGM of the Company; (ii) the expiration of the period within which the next AGM of the Company is required by the Bye-laws or any application laws of Bermuda to be held; or (iii) the revocation, variation or removal of the Repurchase Mandate by an ordinary resolution of the Shareholders in general meeting, whichever occurs first, representing not more than 10% of the issued share capital of the Company as at the Latest Practicable Date.

2. REASONS FOR THE REPURCHASE

Although the Directors have no present intention of repurchasing any Shares, they believe that the flexibility afforded by the repurchase proposal would be beneficial to the Company and Shareholders. Such repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value and/or earnings per Share of the Company and will only be made when the Directors believe that such a purchase will benefit the Company and its Shareholders.

3. SHARE BUY BACK RULES

Repurchases must be funded out of funds which are legally available for the purpose in accordance with the company's constitutional documents and the laws of the jurisdiction in which the company is incorporated.

4. FUNDING OF REPURCHASES

Repurchase of Shares will be funded from the Company's available cash flow or working capital facilities, and will, in any event, be made out of funds legally available for such purposes in accordance with the Bye-laws, the Listing Rules and the laws of Bermuda. The Company is empowered by its Bye-laws to purchase its Shares. The laws of Bermuda provide that the amount of capital repaid in connection with a share repurchase may only be paid out of the capital paid up on the relevant Shares, or from the profits that would otherwise be available for distribution by way of dividend, or from the proceeds of a new issue of shares made for the purpose. The amount of premium payable on redemption may only be paid out of either the profits that would otherwise be available for distribution by way of dividend or out of the Company's share premium account or contributed surplus account.

On the basis of the current financial position of the Group as disclosed in the annual report of the Company for the year ended 31 March 2005 and taking into account the current working capital position of the Group, the Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of the Group as compared with the position disclosed in the 2005 Annual Report. 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 Group or the gearing level which in the opinion of the Directors are from time to time appropriate for the Group.

5. SHARE PRICES

The highest and lowest prices at which the Shares had been traded on the Stock Exchange during each of the previous twelve months prior to the Latest Practicable Date were as follows:

	Price per Share	
	Highest HK\$	Lowest HK\$
2004		
July	0.440	0.300
August	0.380	0.305
September	0.365	0.285
October	0.410	0.290
November	0.670	0.320
December	0.510	0.380
2005		
January	0.540	0.375
February	0.440	0.370
March	0.440	0.365
April	0.420	0.380
May	0.390	0.370
June	0.400	0.340
July (up to the latest Practicable Date)	0.420	0.360

6. UNDERTAKING

The Directors have undertaken to the Stock Exchange that they will exercise the power of the Company to make purchases of the Shares pursuant to the Repurchase Mandate only in accordance with the Listing Rules, the Bye-laws of the Company and the applicable laws of Bermuda.

None of the Directors nor, 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, in the event that the Repurchase Mandate is approved by the Shareholders, to sell any securities to the Company or its Subsidiaries.

No connected person (as defined in the Listing Rules) of the Company has notified the Company that he has a present intention to sell securities to the Company nor has undertaken not to do so, in the event that the Company is authorised to make purchases of Shares upon Repurchase Mandate is approved by the Shareholders.

7. TAKEOVERS CODE

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 Rule 32 of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of the increase of the Shareholder’s interest, could obtain or consolidate control of the Company and become(s) obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date and insofar as the Directors are aware, the following Shareholders had interests representing 5% or more of the issued share capital of the Company which are discloseable under Part XV of the SFO:

Name of Shareholders	Number of interests held	Approximate percentage of interests (%)
Ling Tai Yuk, John (<i>Note 1</i>)	71,268,658	42.67%
Accura Overseas Limited (“Accura”) (<i>Note 1 and 2</i>)	44,705,322	26.76%

Note 1: The Interests stated above represent long position.

Note 2: By virtue of his interest in Accura, Mr. Ling Tai Yuk, John was deemed to be interested in the 44,705,322 shares held by Accura.

If the Repurchase Mandate is exercised in full, Mr. Ling Tai Yuk, John and the party acting in concert with him will increase their shareholding in the Company to approximately 47.41% (taking into account of Mr. Ling Tai Yuk, John’s interests in Accura). Such increase in shareholding will give rise to an obligation for the largest shareholder, namely Mr. Ling Tai Yuk, John to make a conditional mandatory offer under Rule 26 of the Takeovers Code as holding of voting rights of Mr. Ling and the parties acting in concert with him in the Company will then be increased by 2% or more from their lowest percentage holding in the 12 months ending on and inclusive of the date when the Repurchase Mandate is exercised. Despite the aforesaid, the Directors have no present intention to exercise the Repurchase Mandate to such extent as would result in (a) the number of Shares in the hands of public falling below the prescribed minimum percentage of 25%; and (b) a requirement of Mr. Ling Tai Yuk John to make a mandatory offer under the Takeovers Code.

The Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any repurchase made under the Repurchase Mandate.

The Directors will exercise the powers conferred by the Repurchase Mandate to repurchase Shares in circumstances, which they deem appropriate for the benefits of the Company and the Shareholders as a whole. However, the Directors have no present intention to exercise the Repurchase Mandate to the extent that the number of Shares in the hands of the public would fall below the prescribed minimum aggregate percentage (under the Listing Rules) of 25%.

8. SHARE PURCHASE MADE BY THE COMPANY

No purchase has been made by the Company of its Shares (whether on the Stock Exchange or otherwise) in the six months prior to the Latest Practicable Date.

9. GENERAL

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements contained in the 2005 Annual Report) 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 its gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

Stated below are the details of the re-election of Directors as referred to in item 3 of the notice of AGM. The retiring Directors, being eligible, offer themselves for re-election as directors of the Company at the AGM.

Mr. Kong Ho Pak, aged 80, the Executive Director

Mr. Kong was appointed as an executive director on 25 Nov, 1999. He is the chairman of Lotus International Limited which is engaged in investment, trading, tourism, engineering and apparel. Mr. Kong has over 40 years of experience in business investment and more than 10 years of experience in the textile industry. He is also a director of Koniko Company Limited. Mr. Kong did not hold any directorship in any other listed public companies in the past three years. Mr. Kong shall retire by rotation and, being eligible, offer himself for re-election as director of the Company.

Mr. Kong is the brother-in-law of Mr. Ling Tai Yuk, John, the director and substantial shareholder of the Company. Save as disclosed above, Mr. Kong is not connected with any other Directors, senior management, substantial or controlling shareholders (as defined in the Listing Rules) of the Company. As at the Latest Practicable Date, Mr. Kong had personal interest of 6,647,530 Shares which constitutes approximately 3.98% in the issued share capital of the Company. Save as disclosed, Mr. Kong does not have any other interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

There is neither service contract between the Company and Mr. Kong nor any specific term of service with the Company in respect of his appointment. However, he is subject to retirement by rotation pursuant to the Bye-laws of the Company. The total emoluments of Mr. Kong for the year ended 31 March, 2005 was HK\$50,000.00 by reference to the Company's standard scale of emoluments for executive director and the prevailing market conditions. There was no bonus payment payable to Mr. Kong.

Save as disclosed above, there are no other matters in respect of the re-election of Mr. Kong that need to be brought to the attention of the Shareholders.

Mr. Chau Wai Yin, Jonathan, aged 42, the Non-Executive Director

Mr. Chau was appointed as a non-executive director on February 1, 2005. He holds a MBA Degree from the John E. Anderson Graduate School of Management at the University of California at Los Angeles. Mr. Chau has over 16 years of experience in the fields of finance and investments. He has worked for various financial institutions and public listed companies in the area of mergers, acquisition, investments and fund raising in the United States and Greater China, and was previously the Head of Mergers and Acquisitions for North East Asia for a European bank. Mr. Chau is currently a director of Infinite Profits Investment Ltd which is providing consultancy services to the Company and one of its subsidiaries. Mr. Chau did not hold any directorship in any other listed public companies in the past three years.

Mr. Chau is not connected with any other Directors, senior management, substantial or controlling shareholders (as defined in the Listing Rules) of the Company. As at the Latest Practicable Date, Mr. Chau had personal interest of 10,000 Shares which constitutes approximately 0.006% in the issued share capital of the Company. Save as disclosed, Mr. Chau does not have any other interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

There is neither service contract between the Company and Mr. Chau nor any specific term of service with the Company in respect of his appointment. However, he is subject to retirement by rotation pursuant to the Bye-laws. Mr. Chau shall hold office only until the AGM and, being eligible, offers himself for re-election. The annual total emoluments of Mr. Chau for every 12-month service is HK\$50,000.00 by reference to the Company's standard scale of emoluments for non-executive directors, and subject to the approval by the Board of Directors of the Company. The total emoluments of Mr. Chau for the period from his date of appointment to 31 March, 2005 was HK\$8,333. There was no bonus payment payable to Mr. Chau.

Save as disclosed above, there are no other matters in respect of the re-election of Mr. Chau that need to be brought to the attention of the Shareholders.

Mr. Leung Shu Yin, William, aged 55, the Independent Non-Executive Director

Mr. Leung was appointed as an independent non-executive director on February 1, 2005. He was graduated from the Department of Accountancy, Hong Kong Polytechnic. He is a Certified Public Accountant (Practising) and is currently a practising director of three CPA firms in Hong Kong. Mr. Leung is also presently an Independent Non-Executive Director of Mainland Headwear Holdings Ltd., Lai Sun Garment (International) Ltd, Gold-Face Holdings Ltd. and Lai Sun Development Co. Ltd. Save as disclosed above, Mr. Leung did not hold any directorship in any other listed public companies in the past three years.

Mr. Leung is not connected with any other Directors, senior management, substantial or controlling shareholders (as defined in the Listing Rules) of the Company. As at the Latest Practicable Date, Mr. Leung does not have any interests in Shares within the meaning of Part XV of the Securities and Futures Ordinance.

There is neither service contract between the Company and Mr. Leung nor any specific term of service with the Company in respect of his appointment. However, he is subject to retirement by rotation pursuant to the Bye-laws of the Company. Mr. Leung shall hold office only until the AGM and, being eligible, offers himself for re-election. The annual total emoluments of Mr. Leung for every 12-month service is HK\$80,000.00 with reference to the time and effort spent by him on the Board and various committees, and subject to the approval by the Board of Directors of the Company. The total emoluments of Mr. Leung for the period from his date of appointment to 31 March, 2005 was HK\$13,333. There was no bonus payment payable to Mr. Leung.

Save as disclosed above, there are no other matters in respect of the re-election of Mr. Leung that need to be brought to the attention of the Shareholders.

Mr. Keir, James, aged 68, the Independent Non-Executive Director

Mr. Keir was appointed as an independent non-executive director on September 28, 2004. He has over 43 years of experience in jewelry manufacturing and retailing. Mr. Keir did not hold any directorship in any other public listed companies in the past three years.

Mr. Keir is not connected with any other Directors, senior management, substantial or controlling shareholders (as defined in the Listing Rules) of the Company. As at the Latest Practicable Date, Mr. Keir does not have any interests in Shares within the meaning of Part XV of the Securities and Futures Ordinance.

There is neither service contract between the Company and Mr. Keir nor any specific term of service with the Company in respect of his appointment. However, he is subject to retirement by rotation pursuant to the Bye-laws of the Company. Mr. Keir shall hold office only until the AGM and, being eligible, offers himself for re-election. The annual total emoluments of Mr. Keir for every 12-month service is HK\$50,000.00 by reference to the Company's standard scale of emoluments for independent non-executive directors, and subject to the approval by the Board of Directors of the Company. The total emoluments of Mr. Keir for the period from his date of appointment to 31 March, 2005 was HK\$25,417. There was no bonus payment payable to Mr. Keir.

Save as disclosed above, there are no other matters in respect of the re-election of Mr. Keir that need to be brought to the attention of the Shareholders.

Mr. Lee Tsoh Ching, Jonathan, aged 68, the Independent Non-Executive Director

Mr. Lee was appointed as an independent non-executive director on September 28, 2004. He has over 45 years of experience in manufacturing and trading from textile industry. Mr. Lee did not hold any directorship in any other public listed companies in the past three years.

Mr. Lee is not connected with any other Directors, senior management, substantial or controlling shareholders (as defined in the Listing Rules) of the Company. As at the Latest Practicable Date, Mr. Lee does not have any interests in Shares within the meaning of Part XV of the Securities and Futures Ordinance.

There is neither service contract between the Company and Mr. Lee nor any specific term of service with the Company in respect of his appointment. However, he is subject to retirement by rotation pursuant to the Bye-laws of the Company. Mr. Lee shall hold office only until the AGM and, being eligible, offers himself for re-election. The annual total emoluments of Mr. Lee for every 12-month service is HK\$50,000.00 by reference to the Company's standard scale of emoluments for independent non-executive directors, and subject to the approval by the Board of Directors of the Company. The total emoluments of Mr. Lee for the period from his date of appointment to 31 March, 2005 was HK\$25,417. There was no bonus payment payable to Mr. Lee.

Save as disclosed above, there are no other matters in respect of the re-election of Mr. Lee that need to be brought to the attention of the Shareholders.

**GRANEAGLE HOLDINGS LIMITED****(鷹馳實業有限公司#)***(Incorporated in Bermuda with limited liability)*

(Stock Code: 00147)

NOTICE IS HEREBY GIVEN that the annual general meeting of Graneagle Holdings Limited (the “Company”) will be held at Suite 1114, Lippo Sun Plaza, 28 Canton Road, Tsimshatsui, Kowloon, Hong Kong on Friday, 16 September, 2005 at 11:00 a.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements and the reports of the directors and auditors for the year ended March 31, 2005;
2. To declare a final dividend;
3.
 - (a) To re-elect Mr. Kong Ho Pak as executive director;
 - (b) To re-elect Mr. Chau Wai Yin, Jonathan as non-executive director;
 - (c) To re-elect Mr. Leung Shu Yin, William as independent non-executive director;
 - (d) To re-elect Mr. Keir, James as independent non-executive director;
 - (e) To re-elect Mr. Lee Tsoh Ching, Joanthan as independent non-executive director;
 - (f) To authorize the board of directors to fix their remuneration;
4. To re-appoint the auditors and to authorize the board of directors to fix their remuneration; and

by way of special business, to consider and, if thought fit, pass the following resolutions:

SPECIAL RESOLUTION

5. **“THAT** the Bye-Laws of the Company be and are hereby amended in the following manner:
 - (a) By deleting existing Bye-Law 86(2) in its entirety and replacing it with the following:–

86(2) The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or, subject to authorization by the Members in general meeting, as an addition to the existing Board but so that the number of Directors so appointed shall not exceed any maximum number determined from time to time by the Members in general meeting. 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 then be eligible for re-election at that meeting.

- (b) By deleting existing Bye-Law 87(1) in its entirety and replacing it with the following:–

87(1) Subject to the manner of retirement by rotation of Directors as from time to time prescribed under the Listing Rules and notwithstanding any other provisions in the Bye-Laws, at each annual general meeting, one third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement at least once every three years.”

ORDINARY RESOLUTIONS

6. “THAT

- (i) subject to sub-paragraph (iii) of this resolution, the exercise by the directors of the Company during the Relevant Period of all the powers of the Company (the “Directors”) to issue, allot and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (ii) the approval in (i) above shall authorize the Directors during the Relevant Period to make or grant offers, agreements and options which would or 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 pursuant to the approval contained in sub-paragraph (i) of this Resolution, otherwise than pursuant to (a) a Rights Issue (as defined below); (b) an issue of shares as scrip dividends pursuant to the bye-laws of the Company from time to time; or (c) an issue of shares under any share option scheme or similar arrangement for the time being adopted for the grant or issue to employees of the Company and/or any of its subsidiaries, shall not exceed twenty per cent. of the nominal amount of the issued share capital of the Company on the date of this Resolution and this approval shall be limited accordingly; and
- (iv) for the purposes of this resolution:

“Relevant Period” means the period from the date of the passing of this resolution until the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (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 any applicable laws, to be held; and

- (c) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of share open for a period fixed by the directors to holders of shares on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognized regulatory body or any stock exchange in any territory outside Hong Kong).”

7. **“THAT**

- (i) subject to paragraph (ii) below, the exercise by the directors during the Relevant Period of all the powers of the Company to repurchase issued shares in the capital of the Company subject to and in accordance with all applicable laws and the Bye-laws of the Company, be and is hereby generally and unconditionally approved;
- (ii) the aggregate nominal amount of the share capital which the Company is authorized to repurchase pursuant to the approval in paragraph (i) above shall not exceed ten per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of this resolution and the said approval shall be limited accordingly; and
- (iii) for the purposes of this resolution:

“Relevant Period” means the period from the date of the passing of this resolution until the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (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 any applicable laws, to be held; and
- (c) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

8. “**THAT** conditional upon the passing of the Resolutions numbered 6 and 7 as set out in this notice of annual general meeting of the Company dated 29 July 2005 being passed the general mandate granted to the directors to exercise the powers of the Company to allot, issue or otherwise deal with the Shares pursuant to Resolution 6 above be and is hereby extended by the addition to the aggregate nominal amount of the shares capital of the Company which may be allotted by the Directors pursuant to such general mandate, of an amount representing the aggregate nominal amount of the share capital of the Company which are repurchased by the Company under the authority granted to the directors pursuant to Resolution numbered 7 above, provided that such amount shall not exceed ten per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this Resolution.””

By Order of the Board
Tam Shuit Mui, Amy
Company Secretary

Hong Kong, 29 July 2005

Registered Office:

Clarendon House,
Church Street,
Hamilton HM11,
Bermuda.

Principal Place of Business:

Suite 1114,
Lippo Sun Plaza,
28 Canton Road,
Tsimshatsui, Kowloon,
Hong Kong.

Notes:

- (i) A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint a proxy in respect of the whole or any part of his holding of shares to attend and vote in his stead. A proxy need not be a member of the Company.
- (ii) In order to be valid, the form of proxy, together with any power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or other authority, must be deposited at the principal place of business of the Company located at Suite 1114, Lippo Sun Plaza, 28 Canton Road, Tsimshatsui, Kowloon, Hong Kong, not less than 48 hours prior to the located commencement of meeting.
- (iii) The register of members of the Company will be closed from Monday, 12 September 2005 to Friday, 16 September 2005, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed dividend and ascertain the right to attend the meeting, all share transfers, accompanied by the relevant share certificates must be lodged with the Company's branch registrars, Secretaries Limited, at 28/F BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not later than 4:00 p.m. on Friday, 9 September 2005.