THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 all your shares in **HAYWOOD INVESTMENTS LIMITED**, you should at once hand this circular and the accompanying proxy form to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

HAYWOOD INVESTMENTS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 905)

RE-ELECTION OF DIRECTORS AT THE AGM
GENERAL MANDATES TO ISSUE SHARES
AND
REPURCHASE SHARES OF THE COMPANY

A notice convening an annual general meeting of Haywood Investments Limited ("the Company") to be held at Island Pacific Hotel at 152 Connaught Road West, Hong Kong on Tuesday, 24th May, 2005 at 10:00 a.m. is set out on pages 13 to 15 of this circular. Whether or not you propose to attend the annual general meeting, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the principal place of business of the Company in Hong Kong at 17th Floor, Shiu Fung Building, 51-53 Johnston Road, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the annual general meeting.

Hong Kong, 29th April, 2005

CONTENTS

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

"AGM"	the annual general meeting of the Company to be held at Island Pacific Hotel at 152 Connaught Road West, Hong Kong on Tuesday, 24th May, 2005 at 10:00 a.m., notice of which is set out on pages 13 to 15 of this circular
"associate"	has the same meaning as defined in the Listing Rules
"Board/Directors"	directors of the Company
"Companies Law"	the Companies Law (2003 Revision) (Cap. 22) of the Cayman Islands
"Company"	Haywood Investments Limited, a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Stock Exchange
"connected person"	has the same meaning as defined in the Listing Rules
"Hong Kong"	Hong Kong Special Administrative Region of People's Republic of China
"Latest Practicable Date"	27th 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
"Share(s)"	share(s) of HK$0.025 each in the capital of the Company
"Shareholder(s)"	the holder(s) of the Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Takeovers Code"	the Hong Kong Code on Takeovers and Mergers
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong

HAYWOOD INVESTMENTS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 905)

Executive Directors:
Mr. WONG Fong Kim *(Chairman)*
Mr. TAI Ah Lam, Michael
Mr. PHANG Yul Cher Yeow
Mr. THAM Ming Yong
Mr. TSUN Kok Chung, Richard

Non-executive Director:
Mr. CUI Zanming

Independent Non-executive Directors:
Dr. WONG Yun Kuen, Edward
Mr. HSIEH Dominick
Mr. CHANG Kin Man
Ms. LAM Lin Chu

Registered office:
Ugland House
P.O. Box 309
George Town
Grand Cayman
Cayman Islands

Principal place of business in Hong Kong:
17th Floor,
Shiu Fung Building,
51-53 Johnston Road,
Wanchai,
Hong Kong

Hong Kong, 29th April, 2005

To the shareholders

Dear Sir or Madam,

RE-ELECTION OF DIRECTORS AT THE AGM
GENERAL MANDATES TO ISSUE SHARES
AND
REPURCHASE SHARES OF THE COMPANY

INTRODUCTION

The Board wishes to seek the approval of the Shareholders at the AGM for (i) re-election of directors; (ii) granting of the general mandate to issue Shares (referred to in resolution no. 4 of the notice of the AGM accompanying this circular); and (iii) granting of the general mandate to repurchase Shares (referred to in resolution no. 5 of the notice of AGM accompanying this circular).

The purpose of this circular is to (i) provide you details of the directors who are subject to reelection at the AGM; (ii) provide you with details of the general mandate to issue Shares; (iii) provide you with details of the general mandate to repurchase Shares; (iv) set out an explanatory statement regarding the general mandate to repurchase Shares as required under the Listing Rules; and (v) give you notice of the AGM.

RE-ELECTION OF DIRECTORS

In accordance with Article 157 of the Articles of Association, Mr. Wong Fong Kim and Mr. Chang Kin Man retiring by rotation at the AGM and being eligible, may offer themselves for re-election. Mr. Wong Fong Kim offers himself for re-election at the AGM, Mr. Chang Kin Man does not offer himself for re-election at the AGM.

Mr. Phang Yul Cher Yeow, Mr. Tham Ming Yong, Mr. Tsun Kok Chung, Richard, Mr. Cui Zan Ming and Ms. Lam Lin Chu who were appointed by the Directors after the 2004 annual general meeting of the Company will in accordance with Article 123 of the Articles of Association, retire by rotation at the AGM and being eligible, offer themselves for re-election at the AGM.

Details of the above named Directors who are subject to re-election in the AGM are set out in Appendix I of this circular in accordance with the relevant requirements of the Listing Rules.

GENERAL MANDATE TO ISSUE SHARES

It will be proposed at the AGM two ordinary resolutions respectively granting to the Directors a general mandate to allot, issue and deal with Shares not exceeding 20% of the issued share capital of the Company as at the date of passing the resolution and adding to such general mandate so granted to the Directors any Shares representing the aggregate nominal amount of the Shares repurchased by the Company after the granting of the general mandate to repurchase Shares up to 10% of the issued share capital of the Company as at the date of passing such resolution.

GENERAL MANDATE TO REPURCHASE SHARES

At the annual general meeting of the Company held on 1st June, 2004, a general mandate was given by the Company to the Directors to exercise the powers of the Company to repurchase shares. Such mandate will be lapsed at the conclusion of the forthcoming AGM to be held on Tuesday, 24th May, 2005. The Directors propose to seek your approval of an ordinary resolution regarding general mandate to repurchase Shares to be proposed at the forthcoming AGM.

An explanatory statement as required under the Listing Rules concerning the general mandate to repurchase Shares is set out in the Appendix II to this circular.

AGM

On pages 13 to 15 of this circular, you will find a notice convening the AGM at which the following business and resolutions will be proposed:

– as ordinary business to re-elect Directors;

– an ordinary resolution to grant to the Directors a general mandate to authorise the Directors to issue, allot and deal with Shares not exceeding 20% of the issued share capital of the Company as at the date of passing such resolution;

– an ordinary resolution to grant to the Directors a general mandate to exercise all powers of the Company to repurchase on the Stock Exchange Shares representing up to 10% of the issued share capital of the Company as at the date of passing the resolution to approve the general mandate on repurchase shares; and

– an ordinary resolution to extend the general mandate which will be granted to the Directors to issue, allot and deal with additional Shares by adding to it the number of Shares repurchased pursuant to the general mandate on repurchase Shares after the granting of such general mandate.

You will find enclosed a proxy form for use at the AGM. Whether or not you are able to attend the AGM, you are required to complete the proxy form and return it to the principal place of business of the Company in Hong Kong at 17th Floor, Shiu Fung Building, 51-53 Johnston Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the AGM. Completion and return of the proxy form will not prevent you from attending and voting at the AGM if you so wish.

RIGHT TO DEMAND A POLL

Pursuant to Article 100 of the Articles of Association, 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 required under the Listing Rules or (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 duly demanded. A poll may be demanded by:

(a) the Chairman of the meeting; or

(b) at least five members present in person or by proxy and entitled to vote; or

(c) any member or members present in person or by proxy (or in the case of a corporation, by its duly authorized representative) and representing in the aggregate not less than one-tenth of the total voting rights of all members having the right to attend and vote at the meeting; or

(d) any member or members present in person or by proxy (or in the case of a corporation, by its duly authorized representative) and holding shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to note less than one-tenth of the total sum paid up on all shares conferring that right.

RECOMMENDATION

The Directors consider that the re-election of Directors, the granting of the general mandates to Directors to issue Shares and repurchase Shares are in the best interests of the Company and its Shareholders. Accordingly, the Directors recommend that all Shareholders should vote in favour of the resolutions set out in the notice of AGM.

Yours faithfully
For and on behalf of the Board
Phang Yul Cher Yeow
Director

Hong Kong, 29th April, 2005

The following are the particulars of the Directors (as required by the Listing Rules) proposed to be re-elected at the AGM to be held on Tuesday, 24th May, 2005.

Mr. Wong Fong Kim, aged 52, has been an executive director and Chairman of the Company since April 1998. Mr. Wong has extensive experience in investing in the People's Republic of China ("PRC") and management of industrial projects. In 1992, Mr. Wong joined Yunnan Economic Trading and Development Company Limited as Deputy Managing Director and was responsible for overseeing the operation and the administration of the company. During 1994 and 1997, Mr. Wong held senior positions in a listed ceramics manufacturing group in Hong Kong and was responsible for overseeing the management of the manufacturing plants in the PRC. Mr. Wong graduated from Yunnan University in 1982 with a Bachelor of Arts Degree in Economics. Mr. Wong held no directorships nor major positions in other listed companies in the last three years. There is no service contract between the Company and Mr. Wong and his term of service as executive director of the Company will be subject to the relevant provisions in the Articles of Association of the Company. Mr. Wong has not received any emoluments for his services to the Company. Mr. Wong has neither interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance nor any relationship with any directors, senior management or substantial or controlling shareholders of the Company other than acting as executive director of the company and director to some other group companies. There are no other matters which need to be brought to the attention of the Shareholders.

Mr. Phang, Yul Cher Yeow, aged 39, has been an executive director of the Company since July 2004. Mr. Phang graduated from Simon Fraser University with a Bachelor of Business Administration degree. Mr. Phang has close to 10 years experience in investment banking, having worked for a major European bank and an Asia based investment bank. Mr. Phang subsequently moved on to commercial sector and has worked for multi-national and listed companies in areas of treasury, investment and asset management. In the last three years, Mr. Phang had been appointed as a non-executive director of Inno-Pacific Holdings Limited, a company listed in Singapore, but retired in June 2002. Save as mentioned above, Mr. Phang held no directorships nor major positions in other listed companies in the last three years. There is no service contract between the Company and Mr. Phang and his term of service as an executive director of the Company will be subject to the relevant provisions in the Articles of Association of the Company. Mr. Phang has received a fixed director's fee of HK$38,000 per month started from August 2004 which was determined by the Board with reference to his duties and responsibilities with the Company. The bonus is discretionary and to be determined and fixed by Board from time to time with reference to his and the Company's performance. Mr. Phang has neither interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance nor any relationship with any directors, senior management or substantial or controlling shareholders of the Company other than acting as an executive director of the Company. There are no other matters which need to be brought to the attention of the Shareholders.

Mr. Tham Ming Yong, aged 43, has been an executive director of the Company since August 2004. Mr. Tham is an associate member of the Association of International Accountant. Mr. Tham has close to 20 years working experience in areas of accounting, taxation and corporate finance. Mr. Tham worked in an international accounting firm then in public listed companies in Malaysia and Hong Kong before joining the Company. Mr. Tham held no directorships nor major positions in other listed companies in the last three years. There is no service contract between the Company and Mr. Tham and his term of service as an executive director of the Company will be subject to the relevant provisions in the Articles of Association of the Company. Mr. Tham has received a fixed director's fee of HK$10,000 per month since August 2004 which was determined by the Board with reference to his duties and responsibilities with the Company. The bonus is discretionary and to be determined and fixed by the Board from time to time with reference to his and the Company's performance. Mr. Tham has neither interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance nor any relationship with any directors, senior management or substantial or controlling shareholders of the Company other than acting as an executive director of the Company and director to other group companies. There are no other matters which need to be brought to the attention of the Shareholders.

Mr. Tsun Kok Chung, Richard, aged 41, has been an executive director of the Company since March 2005. Mr. Tsun is the senior partner of Tsun & Partners, Solicitors, a corporate and commercial law firm in Hong Kong. He has over 15 years of corporate finance and direct investment experience. Mr. Tsun has received a Master of Laws degree from Queen's College, the University of Cambridge, England. He is a member of the Solicitors Disciplinary Tribunal Panel. Mr. Tsun is the Chairman of the Asia Pacific Merger & Acquisition Association and the Vice-President of the Kowloon Region 2004/2005 of Scout Association of Hong Kong. Mr. Tsun has been an independent non-executive director of GP Nano Technology Group Limited, a company whose shares are listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited and with a stock code: 08152 during the period between 13 October 2000 and 15 January 2003. Save as mentioned above, Mr. Tsun held no directorships nor major positions in other listed companies in the last three years. There is no service contract between the Company and Mr. Tsun and his term of service as an executive director of the Company will be subject to the relevant provisions in the Articles of Association of the Company and commenced for a term of 2 years from the date of appointment and shall continue unless and until terminated by either Mr. Tsun or the Company by one month's notice. Mr. Tsun has not received any emoluments for his services to the Company. However, Mr. Tsun is entitled to receive director's fee and discretionary bonus as to be fixed by the Board and approved by the Company from time to time taking into account his time and efforts to be contributed by him to the Company. Mr. Tsun has neither interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance nor any relationship with any directors, senior management or substantial or controlling shareholders of the Company other than acting as an executive director of the Company. There are no other matters which need to be brought to the attention of the Shareholders.

Mr. Cui Zanming, aged 53, has been a non-executive director of the Company since March 2005. Mr. Cui is a legal representative of Xing Yuan Trading Co., Limited (興緣貿易有限公司), a company incorporated in PRC which is engaged in business of supplying, selling, retailing non-staple food product. Mr. Cui has over 18 years of experience in the business of supplying, selling and retailing non-staple food products. The appointment of Mr. Cui and his term of service as a non-executive director of the Company will be subject to the relevant provisions in the Articles of Association of the Company and commenced for a term of 2 years from the date of appointment and shall continue unless and until terminated by either Mr. Cui or the Company by one month's notice. The remuneration of Mr. Cui comprises an annual salary of HK$60,000, which has determined by the Board taking into account his time and efforts to be contributed by him to the Company, which will be reviewed annually by the Board, and a discretionary bonus to be determined and fixed by the Board from time to time with reference to his and the Company's performance. As at the Latest Practicable Date, Mr. Cui has beneficial interest in 12,000,000 shares in the Company within the meaning of Part XV of the Securities and Futures Ordinance, but is not otherwise connected with any directors, senior management, substantial or controlling shareholders of the Company other than acting as a non executive director of the Company. Save as disclosed above, Mr. Cui does not hold any other positions with the Company and/or with other members of the Company, and did not hold any directorships in other listed public companies in the last three years. There are no other matters which need to be brought to the attention of the Shareholders.

Ms. Lam Lin Chu, aged 33, has been appointed as an independent non-executive director of the Company since April 2005. Ms. Lam, is currently the financial controller and company secretary of Fushan Holdings Limited, a company that has not provided any services to the Company within twelve months from the date of her appointment as independent non-executive director and whose securities are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") with a stock code: 00639. Ms. Lam also worked as a corporate finance manager in another Hong Kong listed company Soundwill Holdings Limited, during the period between February 2001 and February 2002. Ms. Lam had worked in KPMG for over 5 years before 2001. Ms. Lam graduated from The University of Hong Kong with the degree of Bachelor of Business Administration, majoring in accounting and finance. She is now an associate member of both the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. Ms. Lam has been awarded by the Stock Exchange with a certificate for the 15th Securities Brokers Examination. Save as disclosed above, Ms. Lam did not hold any directorships in other listed public companies in the last three years. There is no service contract between the Company and Ms. Lam and her term of service as an independent non-executive director of the Company will be subject to the relevant provisions in the Articles of Association of the Company and commenced from the date of the appointment and will continue unless and until terminated by either party by one month's notice. Her emoluments comprise a fixed director's fee of HK$60,000 per annum which was determined by the board with reference to her duties and responsibilities to be contributed to the Company and a discretionary bonus to be fixed by the Board and approved by the Company form time to time. Ms. Lam has neither interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance nor any relationship with any directors, senior management or substantial or controlling shareholders of the Company other than acting as an independent non-executive director of the Company. There are no other matters which need to be brought to the attention of the Shareholders.

This section includes an explanatory statement required by the Stock Exchange to be presented to the Shareholders concerning the general mandate to repurchase Shares proposed to be granted to the Directors at the AGM.

1. STOCK EXCHANGE RULES FOR REPURCHASE OF SHARES

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase Shares on the Stock Exchange subject to certain restrictions.

The Listing Rules provide that all proposed repurchases of Shares by a company with a primary listing on the Stock Exchange must be approved by Shareholders in advance by an ordinary resolution, either by way of a general mandate or by a specific approval of a particular transaction and that the Shares to be repurchased must be fully paid up.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 160,000,000 fully paid Shares of HK$0.025 each.

Subject to the passing of relevant resolution to approve the general mandate to repurchase Shares and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the AGM, the Company would be allowed under the said general mandate to repurchase a maximum of 16,000,000 Shares.

3. REASONS FOR REPURCHASE

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

4. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Memorandum and Articles of Association and the Companies Law. The Companies Law provides that the amount of capital repaid in connection with a share repurchase may be paid out of the profits of the Company or the proceeds of a fresh issue of shares made for the purposes of the repurchase or out of capital subject to and in accordance with the Companies Law. The amount of premium payable on repurchase may only be paid out of either the profits of the Company or out of the share premium account before or at the time the Company's Shares are repurchased in the manner provided for in the Companies Law.

There might be 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) in the event that the power to repurchase Shares was to be carried out in full at any time during the proposed repurchase period.

However, the Directors do not propose to exercise the power to repurchase Shares if such general mandate will be granted to them to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. SHARE PRICES

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

	Highest	**Lowest**
	HK$	*HK$*
May 2004	0.245	0.175
June 2004	0.225	0.195
July 2004	0.225	0.165
August 2004	0.220	0.053
September 2004	0.113	0.050
October 2004	0.070	0.050
November 2004	0.245	0.053
December 2004	0.153	0.105
January 2005	0.143	0.088
February 2005	0.113	0.080
March 2005	0.095	0.073
April 2005 (up to the latest practicable date)	0.100	0.050

6. UNDERTAKING

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

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their associates, have any present intention to sell any Shares to the Company or its subsidiaries under the general mandate to repurchase Shares if such is approved by the Shareholders of the Company.

No other connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company or its subsidiaries, or have undertaken not to do so, in the event that the general mandate to repurchase Shares is approved by the Shareholders of the Company.

7. EFFECT OF THE TAKEOVERS CODE

If on the exercise of the power to repurchase Shares pursuant to the general mandate, 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 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 Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, the register maintained by the Company pursuant to Section 336 of the Securities and Future Ordinance shows the following Shareholders having interests in Shares of 5% or more of the issued Shares:

Name	No. of Shares	Percentage of issued capital
Lee Wing On, Samuel *(note 1)*	32,790,400	20.49%
Hung Fung Man *(note 1)*	32,790,400	20.49%
Kingston Securities Limited *(note 2)*	24,194,730	15.12%
Chu Yuet Wah *(note 2)*	12,339,312	7.71%
Ma Siu Fong *(note 2)*	11,855,418	7.41%
Orient Securities Limited	19,074,730	11.92%
Cui Zanming	12,000,000	7.50%

Notes:

1. Ms. Hung Fung Man is the wife of Mr. Lee Wing On, Samuel. Ms. Hung is deemed to be interested in the Shares which Mr. Lee Wing On, Samuel is interested under the provisions of Divisions 2 and 3 of Part XV of the SFO.

2. Kingston Securities Limited is deemed to be interested in these Shares subscribed by virtue of the Underwriting Agreement. The entire issued share capital of Kingston is beneficially owned as to 51% by Chu Yuet Wah and as to 49% by Ma Siu Fong.

In the event that the Directors exercise in full the power to repurchase Shares in the Company in accordance with the repurchase mandate, the total interest of the abovementioned Shareholders in the Shares of the Company would be increased as follows:

Name	Percentage of issued capital
Lee Wing On, Samuel	22.77%
Hung Fung Man	22.77%
Kingston Securities Limited	16.80%
Chu Yuet Wah	8.57%
Ma Siu Fong	8.23%
Orient Securities Limited	13.25%
Cui Zanming	8.33%

The Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any repurchases made under the general mandate. The Company have no present intention to repurchase Shares to such extent as to result in the amount of Shares held by the public being reduced to less than 25%.

8. SHARES REPURCHASE MADE BY THE COMPANY

The Company had not repurchased any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

HAYWOOD INVESTMENTS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 905)

NOTICE IS HEREBY GIVEN that an annual general meeting of the Company will be held at Island Pacific Hotel at 152 Connaught Road West, Hong Kong on Tuesday, 24th May 2005 at 10:00 a.m. for the following purposes:

1. To receive and adopt the audited financial statements and the reports of the directors and auditors for the year ended 31st December, 2004.

2. To re-elect retiring directors and to fix the remuneration of directors.

3. To re-appoint auditors and to authorise the directors to fix their remuneration.

As special business, to consider and, if thought fit, pass the following resolutions, which will be proposed with or without amendments, as ordinary resolutions of the Company:

4. "**THAT**:

   (a) subject to paragraph (c) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK$0.025 each in the capital of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;

   (b) the approval in paragraph (a) above shall authorise the Directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power after the end of the Relevant Period;

   (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors of the Company pursuant to the approval in paragraph (a) above, otherwise than (i) a Rights Issue (as hereinafter defined); (ii) an issue of shares as scrip dividends pursuant to the articles of association of the Company from time to time; or (iii) an issue of shares under any option scheme or similar arrangement for the time being adopted for grant or issue of shares or rights to acquire shares of the Company; shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this Resolution, and the said approval shall be limited accordingly; and

(d) for the purpose of this Resolution,

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the articles of association of the Company to be held; or

(iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting; and

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

5. “**THAT**:

(a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of HK$0.025 each in the capital of the Company on The Stock Exchange of Hong Kong Limited (“the Stock Exchange”) or on any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

(b) the aggregate nominal amount of shares of the Company which the Directors of the Company is authorised to repurchase pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing 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 passing of this Resolution until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the articles of association of the Company to be held; or

(iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting."

6. "**THAT** subject to the passing of Resolutions No. 4 and No. 5 set out in the notice convening the meeting, the general mandate granted to the Directors of the Company to allot, issue and deal with additional shares pursuant to Resolution No. 4 set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of shares in the capital of the Company repurchased by the Company under the authority granted pursuant to Resolution No. 5 set out in the notice convening this meeting, provided that such amount of shares so repurchased shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the said Resolution."

Notes:

i. A member entitled to attend and vote at the above meeting is entitled to appoint a proxy or proxies to attend and vote for him. A proxy need not be a member of the Company.

ii. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusions of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.

iii. In order to be valid, a form of proxy must be deposited at the Company's principal place of business in Hong Kong at 17th Floor, Shiu Fung Building, 51-53 Johnston Road, Wanchai, Hong Kong, together with the power of attorney or other authority (if any) under which it is signed (or a certified copy thereof) not less than 48 hours before the time appointed for holding the above meeting or any adjournment thereof.

By Order of the Board
Chu Kin Wang, Peleus
Company Secretary

Hong Kong, 29th April, 2005