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

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

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

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**TYSAN HOLDINGS LIMITED**

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 687)**

**GENERAL MANDATES TO REPURCHASE SHARES  
AND TO ISSUE NEW SHARES,****RE-ELECTION OF DIRECTORS****AND****NOTICE OF ANNUAL GENERAL MEETING**

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The notice convening the Annual General Meeting of Tysan Holdings Limited to be held at Harbour View Room III & IV, 3rd Floor, The Excelsior, 281 Gloucester Road, Causeway Bay, Hong Kong, at 4:00 p.m. on Friday, 12 August 2005 is set out on pages 12 to 15 of this circular. Shareholders are advised to read the notice and to complete and return the accompanying form of proxy not less than 48 hours before the time appointed for holding the Annual General Meeting in accordance with the instructions printed thereon. Completion and return of the form of proxy will not preclude shareholders from attending and voting at the meeting if they so wish.

15 July 2005

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## RESPONSIBILITY STATEMENT

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This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

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## EXPECTED TIMETABLE

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2005

1. Latest time for lodging transfer in respect of Shares . . . . . 4:30 p.m., Thursday, 4 August
  
2. Latest time for lodging proxy forms for the  
Annual General Meeting . . . . . 4:00 p.m., Wednesday, 10 August
  
3. Register of members closed (both dates inclusive) . . . . . From Friday, 5 August  
to Friday, 12 August
  
4. Annual General Meeting . . . . . 4:00 p.m., Friday, 12 August

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## DEFINITIONS

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

“Additional Mandate”	means the proposed general mandate to be granted to the Directors to extend the General Mandate by adding to it the aggregate nominal amount of Shares repurchased under the Shares Repurchased Mandate up to a maximum of 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the relevant resolution granting such mandate;
“Annual General Meeting”	means the annual general meeting of the Company for the year 2005 to be held on Friday, 12 August 2005;
“Bye-laws”	means the Bye-laws of the Company;
“Company”	means Tysan Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on The Stock Exchange;
“Directors”	means the board of directors of the Company, including the independent non-executive directors, and “Director” means any one of the Directors;
“General Mandate”	means the proposed general mandate to be granted to the Directors to permit the allotment and issue of new Shares and other securities of the Company of up to a maximum of 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the relevant resolution granting such mandate;
“Group”	means the Company and the Subsidiaries;
“Latest Practicable Date”	means 13 July 2005, the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange;
“Notice”	means the notice of the Annual General Meeting as set out on pages 12 to 15 of this circular;
“Option”	means an option to subscribe for Shares on terms determined by the Directors pursuant to a share option scheme of the Company and for the time being subsisting;
“Option Holder”	means a person holding an Option;

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## DEFINITIONS

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“Securities Repurchase Rules”	means the provisions governing the repurchase of securities by listed companies as set out in the Listing Rules;
“Share(s)”	means share(s) of HK\$0.10 each in the share capital of the Company in issue as at the Latest Practicable Date and all and any other shares in issue from time to time and for the time being ranking pari passu therewith;
“Shares Repurchase Mandate”	means the general mandate to be granted by the Shareholders to the Directors to repurchase Shares as more particularly set out in Resolution A in paragraph 4 of the Notice;
“Shareholder(s)”	means registered holder(s) of Share(s) of the Company;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“Subsidiary”	means a subsidiary of the Company within the meaning of Section 2 of the Companies Ordinance (Cap. 32) of the Laws of Hong Kong or Section 86 of The Companies Act 1981 of Bermuda (as amended), whether incorporated in Hong Kong, Bermuda or elsewhere; and
“Takeover Code”	means the Hong Kong Code on Takeovers and Mergers.



**TYSAN HOLDINGS LIMITED**

*(incorporated in Bermuda with limited liability)*

**(Stock Code : 687)**

*Executive Directors:*

Cheung Francis (*Chairman*)

Fung Chiu Chak, Victor

*(Vice Chairman and Managing Director)*

Chien David

Kwok Jennifer

Chiu Chin Hung

Wong Kay

*Independent Non-Executive Directors:*

Fan Chor Ho, Paul

Chau Cham Son

Tse Man Bun

*Registered office:*

Clarendon House

Church Street

Hamilton HM11

Bermuda

*Head office and principal place  
of business in Hong Kong:*

6th Floor

Sun Hung Kai Centre,

30 Harbour Road,

Wanchai,

Hong Kong

15 July 2005

*To the Shareholders, and, for information only,  
The Option Holders*

Dear Sir or Madam,

**GENERAL MANDATES TO REPURCHASE SHARES  
AND TO ISSUE NEW SHARES,  
RE-ELECTION OF DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**1. INTRODUCTION**

At the last annual general meeting of the Company held on 18 August 2004, an ordinary resolution was passed granting a general mandate to the Directors to exercise their powers to repurchase Shares in the share capital of the Company up to 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the resolution. A further ordinary resolution was passed authorizing the Directors to exercise the powers of the Company to issue, allot and deal with new Shares and other securities of the Company up to an amount representing 20% of the

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## LETTER FROM THE BOARD OF DIRECTORS

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aggregate nominal amount of the issued share capital of the Company as at the date of the passing of the resolution. Further and conditional upon the granting of the aforesaid mandates, an additional mandate was given to the Directors extending the general mandate to issue and allot new Shares and other securities of the Company by the addition thereto of an amount representing the aggregate nominal amount of Shares repurchased under the aforesaid mandate up to 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of the resolution.

The aforesaid mandates will lapse at the conclusion of the forthcoming Annual General Meeting of the Company to be held on Friday, 12 August 2005.

Accordingly the Directors propose to seek your approval at the Annual General Meeting to grant to the Directors similar mandates, details of which are set out in the Notice convening the Annual General Meeting.

The purpose of this circular is to provide you with information on the proposed ordinary resolutions concerning such mandates and the re-election of Directors as referred to hereinbelow.

### **2. GENERAL MANDATE TO REPURCHASE SHARES**

At the Annual General Meeting, an ordinary resolution will be proposed that the Directors be given a general mandate, being the Shares Repurchase Mandate, to exercise the powers of the Company during the Relevant Period (as defined in the Notice) to repurchase Shares in the issued share capital of the Company up to a maximum amount of 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the Annual General Meeting.

### **3. GENERAL MANDATE TO ISSUE NEW SHARES**

In addition to the above, in order to ensure flexibility and discretion to the Directors in the event that it becomes desirable to issue and allot any additional Shares and other securities of the Company, an ordinary resolution will also be proposed at the Annual General Meeting to give to the Directors a general mandate, being the General Mandate, to issue and allot new Shares and other securities of the Company, including warrants and debentures convertible into Shares up to a maximum amount of 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the Annual General Meeting. In addition, a resolution will be proposed to extend the General Mandate by way of the Additional Mandate, by adding to it the aggregate nominal amount of Shares repurchased under the Shares Repurchase Mandate, subject to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the Annual General Meeting.

### **4. RE-ELECTION OF DIRECTORS**

Pursuant to Bye-law 87 of the Bye-laws of the Company, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, then the number nearest to but not greater than one-third) shall retire from office by rotation provided that a retiring Director shall be eligible for re-election. Accordingly, Mr. David Chien and Mr. Fan Chor Ho,

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## LETTER FROM THE BOARD OF DIRECTORS

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Paul shall retire from office and, being eligible, offer themselves for re-election at the Annual General Meeting. Also, Mr. Tse Man Bun, having been appointed as an independent non-executive Director last year in addition to the then existing Directors pursuant to Bye-law 86 of the Bye-laws of the Company, shall retire at the Annual General Meeting and, being eligible, offer himself for re-election at the Annual General Meeting. Details of such Directors are set out in Appendix II of this Circular.

### 5. ANNUAL GENERAL MEETING

At the Annual General Meeting, ordinary resolutions will be proposed to approve the Shares Repurchase Mandate, the General Mandate, the Additional Mandate and the re-election of the aforesaid Directors. The procedure by which Shareholders may demand a poll pursuant to the Company's Bye-laws is set out in Appendix III hereto.

### 6. NOTICE OF ANNUAL GENERAL MEETING

The Notice convening the Annual General Meeting is set out on pages 12 to 15 of this circular. Shareholders are advised to read the Notice and to complete and return the accompanying form of proxy not less than 48 hours before the time appointed for holding the Annual General Meeting, in accordance with the instructions printed thereon, to the Company's principal office in Hong Kong at 6th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong. The lodging of a form of proxy will not preclude a Shareholder from attending the Annual General Meeting and voting in person should he so wish.

### 7. RECOMMENDATION

Your Directors consider that the Shares Repurchase Mandate, the General Mandate and the Additional Mandate and the re-election of the aforesaid Directors are in the best interests of the Company and the Shareholders as a whole, and recommend you to vote in favour of all such resolutions being proposed at the Annual General Meeting.

Yours faithfully,  
By Order of the Board of Directors of  
**Tysan Holdings Limited**  
**Chan Kit Yan**  
*Company Secretary*



This appendix serves as an explanatory statement, as required by the Listing Rules, to provide the requisite information to you for your consideration of the proposed Shares Repurchase Mandate.

### **1. NUMBER OF SHARES PROPOSED TO BE REPURCHASED**

As at the Latest Practicable Date, the aggregate nominal value of the issued share capital of the Company amounted to HK\$76,496,590.30 comprising 764,965,903 Shares. Subject to the passing of the Ordinary Resolution A as set out in paragraph 4 of the Notice and on the basis of such figures and that no further Shares are issued or repurchased prior to the Annual General Meeting, the Company would be allowed under the Shares Repurchase Mandate to repurchase a maximum of 76,496,590 Shares. The aggregate nominal value of Shares which the Company is authorized to repurchase shall not exceed 10% of the aggregate nominal value of the share capital of the Company in issue at the date of passing of the relevant resolution.

### **2. REASONS FOR REPURCHASE**

The Directors believe that the Shares Repurchase Mandate affords the Company the flexibility and ability in pursuing the best interests for the Company and its Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, be beneficial to the Shareholders by enhancing the net assets and/or earnings per Share and will only be made when the Directors believe that such a purchase will benefit the Company and its Shareholders.

### **3. SOURCE OF FUNDS**

In repurchasing Shares of the Company, the Company may only apply funds legally available for such purpose in accordance with its Memorandum of Association and Bye-laws and the applicable laws of Bermuda and the Listing Rules.

The Directors propose that such Shares repurchases, if and when to be effected, would be appropriately financed by the Company's internal resources and/or available banking facilities.

### **4. EFFECT ON WORKING CAPITAL**

The Directors note that there might be an adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the annual report of the Company for the year ended 31 March 2005) in the event that the Shares Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period. Accordingly, the Directors only propose to exercise the Shares Repurchase Mandate during the proposed repurchase period when and to such an extent that the Directors determine, taking into account all prevailing relevant factors, that such repurchases and the extent thereof are in the best interest of the Company.

## 5. PRESENT INTENTION OF THE DIRECTORS AND ASSOCIATES

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 under the Shares Repurchase Mandate if such mandate is approved by the Shareholders.

## 6. DIRECTORS' 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 of Shares pursuant to the Ordinary Resolution A as set out in paragraph 4 of the Notice in accordance with the Listing Rules and the applicable laws of Bermuda.

## 7. THE TAKEOVER CODE

If a Shareholder's proportionate interest in the voting rights of the Company increases on exercise of the powers to repurchase Shares pursuant to the Shares Repurchase Mandate, such an increase will be treated as an acquisition for the purposes of the Takeover 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 Rule 26 of the Takeover Code.

As at the Latest Practicable Date the group comprising of Mr. Francis Cheung, Power Link Investments Limited and their family members and associates (the "**Power Link Group**") was collectively interested in 288,920,465 Shares representing approximately 37.77% of the Shares issued by the Company. If the proposed Shares Repurchase Mandate were to be exercised in full at any time during the proposed repurchase period, the holdings of the Power Link Group in the Company would increase by more than 2% to 41.97% and therefore, the Power Link Group will be required under the Takeover Code to make an offer for all the issued Shares to the Company. The Directors have no present intention to exercise the Shares Repurchase Mandate to the extent that would increase the proportionate interest in the Company of the Power Link Group by more than 2%. Save as aforesaid, the Directors are not otherwise aware of any consequence which may arise under the Takeover Code as a result of any repurchase that would be made under the Shares Repurchase Mandate.

## 8. SHARES REPURCHASE MADE BY THE COMPANY

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

The Directors have no present intention to repurchase any Shares pursuant to the Shares Repurchase Mandate.

**9. CONNECTED PERSONS**

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 have undertaken not to do so, in the event that the Shares Repurchase Mandate is approved by the Shareholders.

**10. MARKET PRICES**

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

	Shares	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
July 2004	0.280	0.260
August 2004	0.250	0.218
September 2004	0.220	0.215
October 2004	0.228	0.218
November 2004	0.227	0.208
December 2004	0.234	0.190
January 2005	0.239	0.210
February 2005	0.230	0.230
March 2005	0.240	0.190
April 2005	0.243	0.203
May 2005	0.230	0.190
June 2005	0.250	0.212
July 2005 (up to the Latest Practicable Date)	0.240	0.231

To enable the Shareholders to make an informed decision on the re-election of the following Directors proposed to be re-elected at the Annual General Meeting, the particulars of such Directors are set out hereinbelow for Shareholders' information.

**Mr. CHIEN David**, Executive Director, aged 40, joined the Group in March 1997 and has since been an Executive Director of the Company and also a director of some of the Subsidiaries. Mr. Chien is primarily responsible for organizing and managing the operations of the PRC property division. He was the founder of China Garden and has over 14 years' experience in the property investment, development and management field, both in Hong Kong and the PRC.

As at the Latest Practicable Date, Mr. Chien has personal interest in 98,021,020 Shares within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Chien is the son of Mr. Teddy Chien and the brother of Ms. Enid Jean Chien who are substantial Shareholders. Save as disclosed herein, Mr. Chien does not have any relationships with any directors, senior management, substantial or controlling Shareholders. Mr. Chien does not have a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation. His emoluments will be determined by the Board of Directors pursuant to the authority granted by the Shareholders at the annual general meetings of the Company, with reference to his duties and contribution, the Group's performance and profitability, as well as the prevailing market conditions. Mr. Chien has no fixed term of director's service with the Company but is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Bye-laws. Save as aforesaid, Mr. Chien did not hold other directorship in any listed public company in the past 3 years. Save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders in connection with the re-election of Mr. Chien.

**Mr. FAN Chor Ho Paul**, BBS, JP, Independent Non-Executive Director and Chairman of the Audit Committee, aged 63, was appointed in August 1993. He was a former non-executive director of the Hong Kong Exchange and Clearing Limited from 3 April 2000 to 15 April 2003. He was a member of the Advisory Committee to the Securities and Futures Commission from 1993 to 1997 and is again serving in the same capacity since 2001. He is holding appointments on Government boards and committees including the appointment as the Chairman of the Hong Kong Awards for Young People. He was awarded with the Badge of Honour in 1991 and was made a Justice of the Peace in 1993. He was awarded the Bronze Bauhinia Star in July 2005. He is the Chairman of Paul Fan Securities Limited.

As at the Latest Practicable Date, Mr. Fan does not have any interests or short positions in any Shares, underlying Shares or debentures of the Company and its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Fan does not have any relationships with any directors, senior management, substantial or controlling shareholders of the Company. Mr. Fan is entitled to receive a Director's fee of HK\$120,000.00 per annum which will be reviewed annually by the Board of Directors pursuant to the authority granted by the Shareholders at the annual general meetings of the Company, with reference to his duties and contribution, the Group's performance and profitability, as well as the prevailing market conditions. Mr. Fan has no fixed term of director's service with the Company but is subject to retirement by rotation and re-election at the

annual general meetings of the Company in accordance with the Bye-laws. Save as aforesaid, Mr. Fan did not hold other directorship in any listed public company in the past 3 years. Save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders in connection with the re-election of Mr. Fan.

**Mr. TSE Man Bun**, Independent Non-Executive Director, aged 62, was appointed in September 2004. Mr. Tse is presently an Executive Director of S E A Holdings Limited and is also an Independent Non-Executive Director of HSBC Insurance (Asia) Limited, HSBC Medical Insurance Limited and Crystal International Limited. Mr. Tse has over 40 years of working experience in the banking industry. He joined The Hongkong and Shanghai Banking Corporation Limited in 1968 and retired from the aforesaid bank in December 2002. During his service with the HSBC group, he was assigned many key positions which included Senior Credit Manager, Managing Director of Wayfoong Finance Limited and Wayfoong Credit Limited, Area Manager (Retail Banking) and Senior Executive (Commercial Banking). Apart from the banking field, Mr. Tse is also well versed in the reviewing and analysis of financial statements of corporate companies and has an in-depth understanding of the commerce and manufacturing industries.

As at the Latest Practicable Date, Mr. Tse has personal interest in 442,000 Shares within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Tse does not have any relationships with any director, senior management, substantial or controlling Shareholder of the Company. Mr. Tse is entitled to receive a Director's fee of HK\$120,000.00 per annum which will be reviewed annually. His emoluments will be determined by the Board of Directors pursuant to the authority granted by the Shareholders at the annual general meetings of the Company, with reference to his duties and contribution, the Group's performance and profitability, as well as the prevailing market conditions. Mr. Tse has no fixed term of director's service with the Company but is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Bye-laws. Save as aforesaid, Mr. Tse did not hold other directorship in any listed public company in the past 3 years. Save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders in connection with the re-election of Mr. Tse.

Pursuant to Bye-law 66 of the Company's Bye-laws, a resolution put to the vote of a general meeting of the Company 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; or
- (b) by at least three Shareholders present in person or by proxy for the time being entitled to vote at the meeting; or
- (c) by a Shareholder or Shareholders present in person 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 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 Shares conferring that right.

A demand by a person as proxy for a Shareholder shall be deemed to be the same as a demand by the Shareholder.



**TYSAN HOLDINGS LIMITED**

*(incorporated in Bermuda with limited liability)*

**(Stock Code : 687)**

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of the Company will be held at Harbour View Room III & IV, 3rd Floor, The Excelsior, 281 Gloucester Road, Causeway Bay, Hong Kong at 4:00 p.m. on Friday, 12 August 2005 for the following purposes:

1. To receive and consider the audited Financial Statements and the Reports of the Directors and Auditors for the year ended 31 March 2005.
2. To re-elect Mr. David Chien, Mr. Fan Chor Ho, Paul and Mr. Tse Man Bun as Directors of the Company and to authorize the Board of Directors to fix the remuneration of the Directors.
3. To re-appoint Messrs. Ernst & Young as Auditors for the ensuing year and to authorize the Directors to fix their remuneration.
4. To consider and, if thought fit, pass with or without modification, the following proposed resolutions as Ordinary Resolutions by way of special business:

**ORDINARY RESOLUTIONS**

A. **“THAT**

- (1) subject to paragraph (2) 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 fully paid up issued shares of the Company on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) or on any other stock exchange on which shares of the Company may be listed and recognized by the Stock Exchange and the Securities and Futures Commission of Hong Kong 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 applicable to the Company, as amended from time to time, be and is hereby generally and unconditionally approved;
- (2) the amount of the shares of the Company which the Company is authorized to repurchase pursuant to the approval in paragraph (1) above shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this Resolution; and

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## NOTICE OF ANNUAL GENERAL MEETING

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- (3) for the purposes of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is 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 law to be held; or
- (c) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.”

**B. “THAT**

- (1) subject to paragraph (3) 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, grant and deal with additional shares in the capital of the Company, to allot, issue, grant and deal with other securities of the Company, including warrants and debentures convertible into shares of the Company, and to make or grant offers, agreements and options in connection therewith (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;
- (2) the approval in paragraph (1) above shall be in addition to (and shall not in any way prohibit or limit) any other authority or power of or given to the Directors of the Company, and shall authorize the Directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options in connection therewith (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such powers after the end of the Relevant Period;
- (3) 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 or authority in paragraph (1) above, otherwise than pursuant to (a) a Rights Issue (as hereinafter defined); (b) an issue of shares upon the exercise of the subscription rights attaching to any warrant of the Company; (c) an issue of shares in lieu of the whole or part of a dividend on shares of the Company pursuant to the Bye-laws of the Company from time to time or any securities which are convertible into shares of the Company; or (d) an issue of shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to Directors or employees of the Company and/or any of its subsidiaries of shares or rights 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 of this Resolution, and the said approval shall be limited accordingly; and



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## NOTICE OF ANNUAL GENERAL MEETING

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(4) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is 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 law to be held; and
- (c) the date on which the authority set out in this Resolution is revoked or varied by an 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 the holders of shares of the Company whose names appear on the register of members of the Company on a 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 any relevant jurisdiction, or the requirements of any recognized regulatory body or any stock exchange, in any territory outside Hong Kong applicable to the Company).”

- C. “**THAT** subject to the passing of Ordinary Resolutions A and B set out in paragraph 4 of the notice convening this meeting, the general mandate to the Directors of the Company to allot, issue, grant and deal with additional shares and other securities of the Company pursuant to Resolution B set out in paragraph 4 of the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of shares of the Company repurchased by the Company pursuant to the authority granted under Resolution A set out in paragraph 4 of the notice convening this meeting, provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company at the date of passing the said Resolution A as set out in paragraph 4 of the notice convening this meeting.”

5. To transact any other business.

By Order of the Board  
**Chan Kit Yan**  
*Company Secretary*

Hong Kong, 15 July 2005

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## NOTICE OF ANNUAL GENERAL MEETING

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### Notes:

1. Any Shareholder entitled to attend and vote at the meeting is entitled to appoint another person as his proxy to attend vote instead of him. A proxy need not be a Shareholder of the Company.
2. To be valid, a form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the Company's principal office in Hong Kong at 6th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting.
3. With respect to Resolutions 4A and 4C (being Resolutions A and C set out in paragraph 4 of the Notice), approval is being sought from Shareholders for general mandates to be given to the Directors to repurchase shares and to issue further shares not exceeding the aggregate number of shares so repurchased. In accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), an Explanatory Statement setting out the requisite information for your consideration of the proposed mandate to repurchase shares accompanies this notice and is contained in this circular.
4. With respect to the matters set out in Resolution 4B (being Resolution B in paragraph 4 of the Notice), a general mandate is being sought from Shareholders to authorize the allotment and issue of shares and other securities of the Company under the Listing Rules in order to provide flexibility to the Directors should it become desirable for the Company to exercise such powers. The Directors have no immediate plans to issue any new share or other securities under the general mandate.
5. The register of Shareholders will be closed from 5 August 2005 to 12 August 2005 (both dates inclusive), during which period no transfer of shares of the Company will be registered. All transfers and relevant share certificates must be lodged with the Company's Hong Kong branch share registrars, Tengis Limited, at Ground Floor, BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, by no later than 4:30 p.m. on 4 August 2005.