
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Allan International Holdings Limited, you should at once hand this circular with the enclosed form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or the transfer was effected for transmission to the purchaser or transferee.

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ALLAN INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 684)

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

A notice convening an annual general meeting of the Company to be held at 3:45 p.m. on 2 September 2005 at World Trade Centre Club Hong Kong, 38th Floor, World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong is set out on pages 11 to 15. A form of proxy is also enclosed.

If you are not able to attend and vote at the annual general meeting, you are requested to complete the enclosed proxy form and return it to the office of the branch share registrar of the Company in Hong Kong, Standard Registrars Limited at G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the annual general meeting. Completion and return of the proxy form will not preclude you from subsequently attending and voting at the annual general meeting or any adjourned meetings should you so wish.

26 July 2005

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DEFINITIONS

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

| | |
|--------------------------|--|
| “AGM Notice” | the notice of the Annual General Meeting despatched to the Shareholders together with this circular; |
| “Annual General Meeting” | the annual general meeting of the Company to be held at World Trade Centre Club Hong Kong, 38th Floor, World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong on 2 September 2005 at 3:45 p.m., to consider and, if appropriate, to approve the Ordinary Resolutions or any adjournment thereof; |
| “associates” | has the same meaning ascribed in the Listing Rules; |
| “Board” | the board of Directors; |
| “Company” | Allan International Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange; |
| “Connected Person” | has the same meaning ascribed in the Listing Rules; |
| “Directors” | directors of the Company; |
| “Bye-Laws” | the Bye-laws of the Company; |
| “Issue Mandate” | a general mandate granted to the Directors at the annual general meeting of the Company held on 18 August 2004 to allot, issue and deal with Shares not exceeding 20 per cent. of the aggregate of the nominal amount of the issued share capital of the Company as at 18 August 2004; |
| “Repurchase Mandate” | a general mandate granted to the Directors at the annual general meeting of the Company held on 18 August 2004 to repurchase Shares not exceeding 10 per cent. of the aggregate number of shares comprised in the share capital of the Company in issue as at 18 August 2004; |
| “Group” | the Company and its Subsidiaries; |
| “Hong Kong” | The Hong Kong Special Administrative Region of the People’s Republic of China; |

DEFINITIONS

| | |
|-------------------------------|---|
| “Latest Practicable Date” | 26 July 2005, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular; |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange; |
| “Ordinary Resolutions” | the ordinary resolutions to be proposed and passed at the Annual General Meeting as set out in the AGM Notice; |
| “Proposed Repurchase Mandate” | a general mandate proposed to be granted to the Directors at the Annual General Meeting to repurchase Shares not exceeding 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of relevant resolution granting the Proposed Repurchase Mandate; |
| “Share(s)” | ordinary share(s) of HK\$0.10 each in the capital of the Company or if there has been a sub-division, consolidation, reclassification of or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company; |
| “Shareholder(s)” | registered holder(s) of Share(s); |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited; |
| “Subsidiary” | has the same meaning ascribed in the Listing Rules; |
| “HK\$” and “cents” | Hong Kong dollars and cents, the lawful currency in Hong Kong. |

LETTER FROM THE BOARD



ALLAN INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 684)

Executive Directors:

Mr. Cheung Lun (*Chairman*)
Mr. Cheung Shu Wan (*Managing Director*)
Ms. Cheung Lai Chun, Maggie
Ms. Cheung Lai See, Sophie
Mr. Cheung Pui

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Independent Non-Executive Directors:

Ms. Chan How Chun (*Appointed on 28 September 2004*)
Mr. Lai Ah Ming, Leon
Professor Lo Chung Mau

*Head Office and Principal Place
of Business in Hong Kong:*

12th Floor
Zung Fu Industrial Building
1067 King's Road
Quarry Bay
Hong Kong

26 July 2005

To the Shareholders

Dear Sir or Madam,

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

INTRODUCTION

The purpose of this circular is to provide you with information in respect of the Ordinary Resolutions to be proposed at the Annual General Meeting for the granting to the Directors a general mandate to issue Shares and repurchase Shares.

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

At the annual general meeting of the Company held on 18 August 2004, ordinary resolutions were passed granting the Issue Mandate and the Repurchase Mandate to the Directors.

LETTER FROM THE BOARD

In accordance with the provisions of the Listing Rules and the terms of the Issue Mandate and the Repurchase Mandate, the Issue Mandate and the Repurchase Mandate shall lapse if, inter alia, they are revoked or varied by ordinary resolution of the Shareholders in general meeting.

Resolutions set out as Resolutions 5 and 6 in the notice of the Annual General Meeting will be proposed at the Annual General Meeting to grant to Directors a general mandate:

- (i) to repurchase Shares the aggregate amount of which do not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the Annual General Meeting; and
- (ii) to allot, issue and deal with Shares not exceeding:
 - (a) in the case of an allotment and issue of Shares for cash (other than an allotment and issue of Shares pursuant to a rights issue), 5% of the aggregate nominal amount of the share capital in issue as at the Annual General Meeting; and
 - (b) in the case of an allotment and issue of Shares other than for cash, 20% of the aggregate nominal amount of the share capital in issue as at the Annual General Meeting (less Shares (if any) issued pursuant to the general mandate granted pursuant to sub-paragraph (a) above),

provided that, in any event, any Shares to be allotted and issued pursuant to this general mandate shall not be allotted and issued at a discount of 5% or more to the Benchmarked Price of the Shares.

For the avoidance of doubt, the total number of Shares to be issued pursuant to the general mandates granted to the Directors under Resolution 5 shall not exceed 20% of the aggregate nominal amount of the share capital in issue as at the Annual General Meeting.

For the purposes of these resolutions, the “**Benchmarked price**” shall be a price which is the higher of:

- (i) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on the date of signing of the agreement to which the transaction relates; or
- (ii) the average closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet for the five trading days immediately preceding the earlier of:
 - (a) the date of signing of the agreement to which the transaction relates; or
 - (b) the date on which the relevant transaction is announced; or
 - (c) the date on which the price of the Shares to be issued pursuant to the transaction is fixed.

LETTER FROM THE BOARD

With reference to these resolutions, the Directors wish to state that they have no immediate plans to repurchase any Shares or to issue any new Shares pursuant to the relevant mandates.

An explanatory statement required by the Listing Rules to be sent to Shareholders in connection with the Proposed Repurchase Mandate is set out in the Appendix to this circular. The Appendix contains all information reasonably necessary to enable Shareholders to make an informed decision on whether to vote for or against the relevant resolutions at the Annual General Meeting.

RE-ELECTION OF DIRECTORS

According to bye-law 87 of the Bye-Laws, Ms Cheung Lai See, Sophie and Mr. Lai Ah Ming, Leon will retire by rotation at the AGM and, being eligible, offer themselves for re-election.

According to bye-law 86(2) of the Bye-Laws, Ms. Chan How Chun who was appointed on 28th September 2004, will retire at the AGM and being eligible, offer herself for re-election.

A brief biography of each of Ms. Chan How Chun, Ms. Cheung Lai See, Sophie and Mr. Lai Ah Ming, Leon and other relevant particulars are set out as follows:

Ms. Chan How Chun, aged 50, is the Independent Non-Executive Director of the Company and joined the Group on 28 September 2004. She has extensive experience in accounting, finance and management. She holds a Bachelor degree in Commence and a Master degree in Business Administration from the University of Windsor in Canada.

Ms. Chan does not have any relationship with other Directors, senior management of the Company, substantial shareholders (as defined in the Listing Rules) or controlling shareholders (as defined in the Listing Rules).

There is no service agreement between the Company and Ms. Chan How Chun as acting as Independent Non-Executive Director but Ms. Chan is entitled to receive an annual directors' fee of HK\$50,000 for the financial year ended 31 March 2005 based on the Group's remuneration policies, which is subject to the approval of the Board, and is determined and reviewed by the Board each year. Ms. Chan has not held any directorship in other public companies during the last three years.

As at the Latest Practicable Date, Ms. Chan does not have, and is not deemed to have, any interests or short positions in any shares, underlying shares or debentures of the Company and/or its associated corporations (with the meaning of Part XV of the Securities and Futures Ordinance).

Save as disclosed above, there are no other matters relating to her re-election that need to be brought to the attention of the Shareholders.

LETTER FROM THE BOARD

Ms. Cheung Lai See, Sophie, aged 42, is the Executive Director of the Company and joined the Group in 1995. She obtained a degree in Bachelor of Science from the University of London, England and a master degree in Business Management from the City University, England. She is responsible for the financial and administration functions of the Group. She has not held any directorship in other public companies during the last three years.

Ms. Cheung is a director of all subsidiaries of the Company. She is also a director of Unison Associates Limited and Allan Investment Company Limited, controlling shareholders of the Company. She has entered into a service contract with the Company for a term of 3 years subject to retirement by rotation and re-election at an annual general meeting of the Company in accordance with the Bye-Laws. Ms. Cheung is entitled to a fixed basic salary and a discretionary bonus to be determined by the Board. With her executive position, Ms. Cheung is not entitled to any director's fee otherwise available to non-executive directors.

Ms. Cheung is the daughter of Mr. Cheung Lun, the Chairman; sister of Mr. Cheung Shu Wan, the Managing Director and Ms. Cheung Lai Chun, Maggie, Executive Director; and also the cousin of Mr. Cheung Pui, Executive Director. As at the Latest Practicable Date, according to the register maintained by the Company pursuant to section 352 of the Securities and Futures ordinance, Ms. Cheung has personal interest in 500,000 shares and the trustee of The Cheung Lun Family Trust (the beneficiaries of which include Ms. Cheung and other family members other than spouse) directly and indirectly has interest in 139,679,960 Shares of the Company. Details of her interests are provided in the "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures" section in the 2005 Annual Report of the Company.

Save as disclosed above, there are no other matters relating to her re-election that need to be brought to the attention of the Shareholders.

Mr. Lai Ah Ming, Leon, aged 48, was appointed as an Independent Non-Executive Director in December 1995. He is a senior solicitor majoring in commercial and property works. Mr. Lai has not held any directorship in other public companies during the last three years.

Mr. Lai does not have any relationships with any other Directors, senior management of the Company, substantial Shareholders (as defined in the Listing Rules) or controlling Shareholders (as defined in the Listing Rules).

There is no service agreement between the Company and Mr. Lai as acting as Independent Non-Executive Director since 1995 but Mr. Lai is entitled to receive an annual directors' fee of HK\$50,000 for the financial year ended 31 March 2005 based on the Group's remuneration policies, which is subject to the approval of the Board, and is determined and reviewed by the Board each year.

As at the Latest Practicable Date, Mr. Lai does not have, and is not deemed to have, any interests or short positions in any shares, underlying shares or debentures of the Company and/or its associated corporations (with the meaning of Part XV of the Securities and Futures Ordinance).

Save as disclosed above, there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders.

LETTER FROM THE BOARD

RIGHT TO DEMAND A POLL

Bye-Law 66 of the Bye-Laws set out the procedures by which Shareholders may demand a poll:–

At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the results of the show of hands or on the withdrawal of any other demand for a poll) demanded:–

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

Furthermore, pursuant to Bye-Law 67 of the Bye-Laws, unless a poll be so demanded and not withdrawn, a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or not carried by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour or against such resolution.

RESPONSIBILITY STATEMENT

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.

RECOMMENDATION

The Board believes that the proposed General Mandate and the Repurchase Mandates under ordinary resolution numbered 5, 6 and 7 and the re-election of Directors are in the best interests of the Company and its shareholders and accordingly recommend you to vote in favour of the relevant resolutions to be proposed at the forthcoming Annual General Meeting.

Yours faithfully,
By order of the Board
Cheung Shu Wan
Managing Director

This Appendix contains the particulars that are required by the Listing Rules to be included in an explanatory statement to enable the Shareholders to make an informed view on whether to vote for or against the resolution to be proposed at the Annual General Meeting in relation to the Proposed Repurchase Mandate.

LISTING RULES FOR REPURCHASE OF SHARES

The relevant sections of the Listing Rules which permit companies with primary listing on the Stock Exchange to repurchase their shares on the Stock Exchange subject to certain restrictions are summarized below:

SOURCES OF FUNDS

Repurchases must be funded out of fund legally available for the purpose and in accordance with the company's constitutive documents and the laws of the jurisdiction in which the company is incorporated or otherwise established.

SHARE CAPITAL

As at the Latest Practicable Date, the number of shares of the Company in issue is 335,432,520 Shares. Subject to the passing of the resolution granting the Proposed Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the Annual General Meeting, the Company will be allowed to repurchase a maximum of 33,543,252 Shares during the period ending on the earlier of the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required to be held by law or the date upon which such authority is revoked or varied by a resolution of the Shareholders in general meeting.

REASONS FOR REPURCHASES

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

The Directors have no present intention to repurchase any Shares and they would only exercise the power to repurchase in circumstances where they consider that the repurchase would be in the best interests of the Company. The Directors consider that if the general mandate to repurchase Shares were to be exercised in full at the currently prevailing market value, it would have a material adverse impact on the working capital position and gearing position of the Company, as compared with the positions disclosed in the audited consolidated accounts of the Company as at 31 March 2005, being the date to which the latest published audited accounts of the Company were made up. The Directors do not propose to exercise the mandate to repurchase Shares 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.

SHARE PRICES

The following table shows the highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the last twelve months.

| Month | Highest trade price HK\$ | Lowest trade price HK\$ |
|---|---|--|
| 2004 | | |
| July | 1.46 | 1.31 |
| August | 1.38 | 1.25 |
| September | 1.35 | 1.26 |
| October | 1.29 | 1.23 |
| November | 1.27 | 1.23 |
| December | 1.25 | 1.06 |
| 2005 | | |
| January | 1.25 | 1.19 |
| February | 1.37 | 1.22 |
| March | 1.28 | 1.16 |
| April | 1.21 | 1.16 |
| May | 1.18 | 1.13 |
| June | 1.23 | 1.08 |
| the period from 1 July to Latest Practicable Date | 1.16 | 1.11 |

GENERAL

To the best of their knowledge, having made all reasonable enquiries, none of the Directors nor any of their associates currently intend to sell any Shares to the Company or its subsidiaries in the event that the Proposed Repurchase Mandate is approved.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Proposed Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Bermuda.

No connected person, as defined in the Listing Rules, has notified the Company that he has a present intention to sell any shares to the Company, or has undertaken not to do so, in the event that the Proposed Repurchase Mandate is approved.

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 the Hong Kong Code on Takeovers and Mergers (the "Code"). Accordingly, a shareholder, or group of Shareholders acting in concert, depending on the level of increase of the Shareholders' interest, could obtain or

consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Code.

As at the Latest Practicable Date, the trustee of The Cheung Lun Family Trust (the beneficiaries of which include Mr. Cheung Shu Wan, Ms. Cheung Lai Chun, Maggie, Ms. Cheung Lai See, Sophie and other family members other than spouse) hold directly or indirectly 41.64% of the issued share capital of the Company.

In the event that the Directors shall exercise the Proposed Repurchase Mandate in full and assuming there is no change in the issued share capital of the Company as at the date of passing of relevant resolution granting the Proposed Repurchase Mandate, the interest of The Cheung Lun Family Trust would be increased to approximately 46.27%. In the opinion of the Directors, such increase will trigger the Code and will give rise to an obligation to make a mandatory offer under Rule 26 of the Code. The Directors have no present intention to exercise the Repurchase Mandate to such an extent as would result in takeover obligations.

The Company has not repurchased any Shares on the Stock Exchange in the six months preceding the date of this circular.

NOTICE OF ANNUAL GENERAL MEETING



ALLAN INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 684)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Allan International Holdings Limited (the “Company”) will be held at World Trade Centre Club Hong Kong, 38th Floor, World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong on 2 September 2005 at 3:45 p.m., for the purpose of considering and, if thought fit, pass the following ordinary business:

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 declare a final dividend of HK6 cents per share for the year ended 31 March 2005;
3.
 - (a) To re-elect Ms. Chan How Chun as Director;
 - (b) To re-elect Ms. Cheung Lai See, Sophie as Director;
 - (c) To re-elect Mr. Lai Ah Ming, Leon as Director;
 - (d) To authorise the board of directors to fix the remuneration of the Directors;
4.
 - (a) To appoint auditors;
 - (b) to authorize the board of directors to fix their remuneration;

and, as special business, to consider and, if thought fit, pass the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

5. **“THAT:–**
 - (a) subject to paragraph (c) below, the exercise by the directors of the Company (“**Directors**”) during the Relevant Period of all the powers of the Company to allot, issue and otherwise deal with additional shares of the Company (“**Shares**”) or securities convertible into Shares, or options, warrants or similar rights to subscribe for any Shares, and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the approval in paragraph (a) of this Resolution shall be in addition to any other authorizations given to the Directors and shall authorize the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of the 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 in paragraph (a) of this Resolution, otherwise than pursuant to:–
 - (i) a Rights Issue (as hereinafter defined);
 - (ii) the exercise of rights of subscription or conversion under terms of any warrants issued by the Company or any securities which are convertible into Shares;
 - (iii) the exercise of any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of Shares or right to acquire Shares;
 - (iv) any scrip dividend or similar arrangements providing for the allotment of shares in lieu of the whole or part of a dividend on Shares in accordance with the by-laws of the Company;

shall not exceed:

- (A) in the case of an allotment and issue of shares for cash, 5% of the aggregate nominal amount of the share capital in issue at the date of this resolution; and
- (B) in the case of an allotment and issue of shares other than for cash, 20% of the aggregate nominal amount of the share capital in issue at the date of this resolution (less shares (if any) issued pursuant to the general mandate granted pursuant to sub-paragraph (A) of the resolution).

provided that, in any event, any shares to be allotted and issued by the Directors pursuant to the approval granted under this resolution shall not be issued at a discount of 5% or more to the Benchmarked Price (as hereinafter defined) of the shares, and the said approval shall be limited accordingly;

- (d) subject to the passing of each of the paragraphs (a), (b) and (c) of this Resolution, any prior approvals of the kind referred to in paragraphs (a), (b) and (c) of this Resolution which had been granted to the Directors and which are still in effect be and are hereby revoked; and (e) for the purpose of this Resolution:

NOTICE OF ANNUAL GENERAL MEETING

“**Benchmarked Price**” shall be a price which is the higher of:

- (i) the closing price of the shares of the Company as stated in the Stock Exchange’s daily quotations sheet on the date of signing of the agreement to which the transaction relates; or
- (ii) the average closing price of the shares of the Company as stated in the Stock Exchange’s daily quotations sheet for the five trading days immediately preceding the earlier of:
 - (A) the date of signing of the agreement to which the transaction relates; or
 - (B) the date on which the relevant transaction is announced; or
 - (C) the date on which the price of the shares of the Company to be issued pursuant to the transaction is fixed.

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the bye-laws of the Company to be held; or
- (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders of the Company in general meeting;

“**Rights Issue**” means the allotment, issue or grant of Shares pursuant to an offer of Shares open for a period fixed by the Directors to holders of Shares or any class thereof on the register on a fixed record date in proportion to their then holdings of such Shares or class thereof (subject to such exclusion or other arrangements as the Directors 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).”

6. “THAT:

- (a) subject to paragraph (b) below, the exercise by the directors of Company (“**Directors**”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase the shares of the Company (“**Shares**”) on The Stock Exchange of Hong Kong Limited or on any other stock exchange on which the Shares may be listed and recognized for this purpose by the Securities and Futures Commission and The Stock Exchange of Hong Kong Limited under the Hong Kong Code on Share Repurchases,

NOTICE OF ANNUAL GENERAL MEETING

and subject to and in accordance with all applicable laws and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, be and is hereby generally and unconditionally approved;

- (b) the aggregate nominal amount of Shares which may be repurchased pursuant to the approval in paragraph (a) of this Resolution shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this Resolution and the said approval shall be limited accordingly;
 - (c) subject to the passing of each of the paragraphs (a) and (b) of this Resolution, any prior approvals of the kind referred to in paragraphs (a) and (b) of this Resolution which had been granted to the Directors and which are still in effect be and are hereby revoked; and
 - (d) for the purpose of this Resolution, “**Relevant Period**” means the period from the passing of this Resolution until whichever is the earlier of:–
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the bye-laws of the Company to be held; or
 - (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders of the Company in general meeting.”
7. “**THAT** conditional upon the passing of the Resolutions 5 and 6 as set out in the notice of this meeting, the general mandate granted to the directors of the Company (“Directors”) to exercise the powers of the Company to allot, issue and otherwise deal with shares of the Company pursuant to Resolution 5 above be and is hereby extended by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted by the Directors pursuant to such general mandate an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to Resolution 6 above, provided that such amount shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this Resolution.”

By order of the Board
Cheung Shu Wan
Managing Director

Hong Kong, 25 July 2005

NOTICE OF ANNUAL GENERAL MEETING

The Directors as at the date of this circular are:

Executive Directors:

Mr. Cheung Lun (*Chairman*)
Mr. Cheung Shu Wan (*Managing Director*)
Ms. Cheung Lai Chun, Maggie
Ms. Cheung Lai See, Sophie
Mr. Cheung Pui

Independent Non-Executive Directors:

Ms. Chan How Chun
Mr. Lai Ah Ming, Leon
Professor Lo Chung Mau

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

12th Floor
Zung Fu Industrial Building
1067 King's Road
Quarry Bay
Hong Kong

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Notes:–

1. A shareholder entitled to attend and vote at the above meeting may appoint one or more than one proxy to attend and to vote in his stead. A proxy need not be a shareholder of the Company.
2. Where there are joint registered holders of any Share, any one such persons may vote at the meeting, either personally or by proxy, in respect of such Share as if he were solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such Shares shall alone be entitled to vote in respect thereof.
3. In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof must be delivered to the office of the branch share registrar of the Company in Hong Kong, Standard Registrars Limited at G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.