

If you are in any doubt as to any aspect of this circular or as to the action to be taken, 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 **TOM Group Limited**, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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TOM Group Limited

TOM集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

**PROPOSED GENERAL MANDATES
TO ISSUE NEW SHARES AND REPURCHASE SHARES,
REFRESHMENT OF 10 PER CENT. LIMIT ON THE GRANT OF OPTIONS
UNDER THE SHARE OPTION SCHEME AND
PROPOSED AMENDMENTS TO THE MEMORANDUM AND
ARTICLES OF ASSOCIATION**

A notice convening the Annual General Meeting of TOM Group Limited to be held at the Grand Ballroom I, Harbour Plaza Hong Kong, 20 Tak Fung Street, Hung Hom, Kowloon, Hong Kong on Monday, 26th April, 2004 at 11:00 a.m. is set out on pages 11 to 20 of this circular. Whether or not you are able to attend the Annual General Meeting, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the principal place of business of TOM Group Limited at 48th Floor, The Center, 99 Queen's Road Central, Central, 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 or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting at the Annual General Meeting or any adjourned meeting (as the case may be) should you so wish.

This circular, for which the directors of TOM Group Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to TOM Group Limited. The directors of TOM Group Limited, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:- (i) the information contained in this circular is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this circular misleading; and (iii) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This circular will remain on the GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of its posting and on the website of TOM Group Limited at www.tomgroup.com.

CHARACTERISTICS OF GEM

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the main board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

DEFINITIONS

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

“10 per cent. Option Limit”	means the maximum number of Shares which may be issued upon the exercise of all options available to be granted by the Directors under the Share Option Scheme and any other schemes of the Company
“2003 Annual Report”	means the annual report of the Company for the year ended 31st December, 2003
“Annual General Meeting”	means the annual general meeting of the Company for the financial year ended 31st December, 2003 to be held at the Grand Ballroom I, Harbour Plaza Hong Kong, 20 Tak Fung Street, Hung Hom, Kowloon, Hong Kong on Monday, 26th April, 2004 at 11:00 a.m., the notice of which is set out on pages 11 to 20 of this circular
“Articles of Association”	means the existing articles of association of the Company adopted on 25th April, 2003
“Associates”	has the meanings ascribed to it under the GEM Listing Rules
“Code”	means the Hong Kong Code on Takeovers and Mergers
“Company”	means TOM Group Limited (formerly known as TOM.COM LIMITED), a company incorporated in the Cayman Islands and whose shares are listed on GEM
“Director(s)”	means the board of directors of the Company
“GEM”	means the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	means the Rules Governing the Listing of Securities on GEM
“Group”	means the Company and its subsidiaries
“HKD”	means Hong Kong Dollars
“Latest Practicable Date”	means 24th March, 2004, being the latest practicable date prior to the printing of this circular
“Memorandum”	means the existing memorandum of association of the Company adopted on 25th April, 2003
“Notice”	means the notice convening the Annual General Meeting which is set out on pages 11 to 20 of this circular

DEFINITIONS

“Repurchase Mandate”	means a general mandate proposed to be granted to the Directors to exercise the power of the Company to repurchase Shares up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company at the date of passing Resolution No. 5
“Resolution No. 4”	means the ordinary resolution no. 4 as set out in the Notice
“Resolution No. 5”	means the ordinary resolution no. 5 as set out in the Notice
“Resolution No. 6”	means the ordinary resolution no. 6 as set out in the Notice
“Resolution No. 7”	means the ordinary resolution no. 7 as set out in the Notice
“Resolution No. 8”	means the special resolution no. 8 as set out in the Notice
“Share Option Scheme”	means the share option scheme adopted by the Company on 11th February, 2000 (as amended)
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited
“Share(s)”	means the share(s) of par value of HKD0.10 each in the capital of the Company



TOM Group Limited

TOM 集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

Directors:

Frank Sixt* (*Chairman*)
Sing Wang (*Chief Executive Officer*)
Tommei Tong
Henry Cheong#
Angelina Lee#
Anna Wu#
Debbie Chang*
Susan Chow*
Edmond Ip*
Holger Kluge*
James Sha*
Wang Lei Lei*

* *Non-executive Directors*

Independent non-executive Directors

Registered office:

P.O. Box 309
Ugland House
South Church Street
George Town
Grand Cayman
Cayman Islands
British West Indies

*Head office and principal
place of business:*

48th Floor, The Center
99 Queen's Road Central
Central
Hong Kong

31st March, 2004

To the shareholders of the Company

Dear Sir or Madam,

**PROPOSED GENERAL MANDATES
TO ISSUE NEW SHARES AND REPURCHASE SHARES,
REFRESHMENT OF 10 PER CENT. LIMIT ON THE GRANT OF OPTIONS
UNDER THE SHARE OPTION SCHEME AND
PROPOSED AMENDMENTS TO THE MEMORANDUM AND
ARTICLES OF ASSOCIATION**

INTRODUCTION

The purpose of this circular is to provide you with information regarding the resolutions to be proposed at the Annual General Meeting. These include: (i) the ordinary resolutions granting the Directors general mandates to issue new Shares and to repurchase Shares; (ii) the ordinary resolution approving the refreshment of the 10 per cent. Option Limit; and (iii) the special resolution amending the Memorandum and Articles of Association.

LETTER FROM THE DIRECTORS

GENERAL MANDATES

On 25th April, 2003, an ordinary resolution was passed by the then shareholders of the Company giving a general unconditional mandate to the Directors to repurchase such number of Shares with an aggregate nominal amount not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company at the date of passing of this resolution on 25th April, 2003.

On 5th August, 2003, an ordinary resolution was passed by the then shareholders of the Company giving a general unconditional mandate to the Directors to allot, issue and deal with additional Shares with an aggregate nominal amount not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company at the date of passing of this resolution on 5th August, 2003.

The above general mandates will lapse at the conclusion of the Annual General Meeting. It is therefore proposed to seek your approval of the ordinary resolutions to be proposed at the Annual General Meeting to give fresh general mandates to the Directors.

At the Annual General Meeting, separate ordinary resolutions will be proposed to give to the Directors a fresh general mandate (i) to allot, issue and otherwise deal with additional Shares with an aggregate nominal amount not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of the Resolution No. 4 as set out in the Notice; (ii) to repurchase Shares with an aggregate nominal amount up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company at the date of passing of the Resolution No. 5 as set out in the Notice during the period from the date of the passing of the Resolution No. 5 up to: (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 articles of association of the Company or any applicable laws of the Cayman Islands to be held; or (c) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the Repurchasing Mandate, whichever occurs first; and (iii) to add to such general mandate so granted to the Directors to allot, issue and deal with additional Shares by an amount representing the aggregate nominal amount of the share capital of the Company (up to a maximum of 10% of the aggregate nominal amount of the then issued share capital of the Company) repurchased under the Repurchase Mandate. The relevant resolution is set out as the Resolution No. 6 in the Notice.

EXPLANATORY STATEMENT

An explanatory statement containing all relevant information relating to the Repurchase Mandate is set out in the Appendix to this circular. The information in the explanatory statement is to provide you with the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolution to grant to the Directors the Repurchase Mandate at the Annual General Meeting.

LETTER FROM THE DIRECTORS

REFRESHMENT OF THE 10 PER CENT. OPTION LIMIT

Pursuant to the GEM Listing Rules, the total number of Shares which may be issued upon the exercise of all options available to be granted by the Directors under the Share Option Scheme and any other schemes of the Company may not exceed 10% of the Shares in issue as at the date of approval or adoption of that limit by the shareholders of the Company. The 10 per cent. Option Limit may be refreshed by the shareholders of the Company in general meeting from time to time.

At the extraordinary general meeting of the Company held on 24th April, 2002, the then shareholders of the Company approved the refreshment of the 10 per cent. Option Limit, being 10% of the Shares in issue on 24th April, 2002 (i.e. 3,292,549,808 Shares). Accordingly, the Directors are able to grant options under the Share Option Scheme for subscription of up to 329,254,980 Shares (which do not include those outstanding, cancelled, lapsed or exercised options at the date of passing of such resolution).

As at the Latest Practicable Date, 3,878,261,817 Shares were in issue and options to subscribe for up to 116,541,000 Shares have been granted under the Share Option Scheme since the adoption of the 10 per cent. Option Limit on 24th April, 2002.

Given the growth in size of the Group, the increase in the number of employees and the fact that much of the current mandate has been used up by the previous option grants, the Directors wish to retain the flexibility to be able to make new grants of options under the Share Option Scheme to employees going forward. Accordingly, the Directors wish to take this opportunity to seek the approval of the shareholders of the Company at the Annual General Meeting to refresh the 10 per cent. Option Limit.

Assuming that no further Shares are issued prior to the date of the Annual General Meeting, upon the approval of the refreshment of the 10 per cent. Option Limit by the shareholders of the Company at the Annual General Meeting, the 10 per cent. Option Limit (as refreshed) will allow the Directors to grant options for subscription for up to 387,826,181 Shares, being 10% of the Shares then in issue at the date of the Annual General Meeting.

Application will be made to the Stock Exchange for granting the approval of the listing of and permission to deal in the Shares (up to the refreshed 10 per cent. Option Limit) which may be issued pursuant to the exercise of the options under the Share Option Scheme.

PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION

In view of certain amendments made to the GEM Listing Rules relating to corporate governance issues which will become effective on 31st March, 2004 subject to certain transitional arrangements, the Directors wish to seek approval of the shareholders of the Company at the Annual General Meeting for certain amendments to the Articles of Association including, inter alia, the following provisions:

- (a) the period for lodgement by shareholders of the notice to nominate a director shall be 7 days commencing from the date immediately after the despatch of the notice of meeting appointed for such election;

LETTER FROM THE DIRECTORS

- (b) subject to such exceptions specified in the Articles of Association, a director shall not vote on any board resolution approving any contract or arrangement or any other proposal in which he or any of his associates has a material interest nor shall he be counted in the quorum present at the meeting; and
- (c) where any shareholder is, under the GEM Listing Rules, required to abstain from voting on any particular resolution or restricted to voting for or against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

The Directors also propose to clarify the right to demand a poll by restating certain provisions contained in the Articles of Association.

In order to update all references of “Companies Law (2002 Revision)” in the Memorandum and Articles of Association with the name of its latest revised version, the Directors also propose to amend the Memorandum and Articles of Association by replacing all references of “Companies Law (2002 Revision)” with “Companies Law (2003 Revision)”.

In addition, the Directors also propose that the new memorandum and articles of association of the Company, consolidating all the changes to be passed by the shareholders of the Company at the Annual General Meeting, be adopted in replacement of the Memorandum and Articles of Association with effect from the date of passing of the relevant special resolution.

ANNUAL GENERAL MEETING

A notice convening the Annual General Meeting to be held at the Grand Ballroom I, Harbour Plaza Hong Kong, 20 Tak Fung Street, Hung Hom, Kowloon, Hong Kong on Monday, 26th April, 2004 at 11:00 a.m. is set out on pages 11 to 20 of this circular.

A form of proxy for use at the Annual General Meeting is enclosed. Whether or not you are able to attend the Annual General Meeting, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the principal place of business of the Company at 48th Floor, The Center, 99 Queen’s Road Central, Central, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding of the Annual General Meeting or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting at the Annual General Meeting or any adjourned meeting (as the case may be) should you so wish.

LETTER FROM THE DIRECTORS

RECOMMENDATION

The Directors are of the opinion that the proposals referred to in this circular are in the best interests of the Company and its shareholders and therefore recommend you to vote in favour of the Resolutions Nos. 4 to 8 to be proposed at the Annual General Meeting.

Yours faithfully,
By Order of the Board
TOM GROUP LIMITED
Sing Wang
Chief Executive Officer
and
Executive Director

This is an explanatory statement given to all shareholders of the Company relating to the Resolution No. 5 to be proposed at the Annual General Meeting authorizing the Repurchase Mandate.

This explanatory statement contains all the information required pursuant to Rule 13.08 of the GEM Listing Rules which is set out as follows:

1. EXERCISE OF THE REPURCHASE MANDATE

As at the Latest Practicable Date, the issued share capital of the Company comprised of 3,878,261,817 Shares.

Subject to the passing of the Resolution No. 5 and on the basis that no further Shares are issued or repurchased by the Company prior to the Annual General Meeting, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 387,826,181 Shares during the period from the date of the passing of the Resolution No. 5 as set out in the Notice up to (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 the articles of association of the Company or any applicable laws of the Cayman Islands to be held; or (iii) the revocation, variation or renewal of the Repurchase Mandate by ordinary resolution of the shareholders of the Company in general meeting, whichever occurs first.

2. REASONS FOR REPURCHASES

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

3. 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 applicable laws and regulations of the Cayman Islands. The Company may not purchase securities on the GEM for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

4. GENERAL

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements contained in the 2003 Annual Report) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or on its 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 GEM during each of the previous twelve months before the Latest Practicable Date were as follows:

	Highest <i>HKD</i>	Shares Lowest <i>HKD</i>
March 2003	2.000	1.740
April 2003	1.900	1.590
May 2003	2.675	1.870
June 2003	2.725	2.325
July 2003	2.450	1.990
August 2003	2.475	2.000
September 2003	2.600	2.375
October 2003	2.650	2.425
November 2003	2.550	2.200
December 2003	2.400	2.150
January 2004	2.550	2.350
February 2004	2.575	2.300
From 1 March 2004 to the Latest Practicable Date	2.575	1.910

6. UNDERTAKING

The Directors have undertaken to the Stock Exchange that they will exercise the Repurchase Mandate in accordance with the GEM Listing Rules, the memorandum and articles of association of the Company 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 under the Repurchase Mandate if such is approved by the shareholders of the Company.

No connected person (as defined in the GEM Listing Rules) has notified the Company that it has any present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by the shareholders of the Company.

7. THE CODE

If as a result of a repurchase of Shares, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Code. As a result, a shareholder, or a group of shareholders acting in concert (within the meaning under the Code), depending on the level of increase in the shareholder's interests, could obtain or consolidate control of the Company and become(s) obliged to make a mandatory offer in accordance with Rule 26 of the Code.

As at the Latest Practicable Date, by virtue of the Securities and Futures Ordinance, Cheung Kong (Holdings) Limited, which is a substantial shareholder of the Company, was deemed to be interested in 1,429,024,545 Shares (representing approximately 36.85% of the issued share capital of the Company). In the event that the Directors exercise in full the power to repurchase Shares in accordance with the terms of the Resolution No. 5 to be proposed at the Annual General Meeting, then (if the present shareholdings otherwise remained the same) the deemed interest of Cheung Kong (Holdings) Limited in the Company would be increased to approximately 40.94% of the issued share capital of the Company and accordingly Cheung Kong (Holdings) Limited will be obliged to make a mandatory offer under Rule 26 of the Code.

However, the Directors have no present intention to exercise the Repurchase Mandate to such an extent as would result in takeover obligations.

8. SHARE PURCHASE MADE BY THE COMPANY

No purchases of Shares have been made by the Company in the previous six months, whether on the Stock Exchange or otherwise.

NOTICE OF ANNUAL GENERAL MEETING



TOM Group Limited

TOM集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the annual general meeting (the “Annual General Meeting”) of the shareholders of TOM Group Limited (the “Company”) will be held at the Grand Ballroom I, Harbour Plaza Hong Kong, 20 Tak Fung Street, Hung Hom, Kowloon, Hong Kong on Monday, 26th April, 2004 at 11:00 a.m., for the following purposes:

1. to receive and consider the audited financial statements and the reports of the directors of the Company (“Directors”) and auditors for the year ended 31st December, 2003;
2. to re-elect Directors;
3. to re-appoint auditors and authorize the Directors to fix their remuneration;

ORDINARY RESOLUTIONS

4. to consider and, if thought fit, pass the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (c) of this resolution, and pursuant to the Rules Governing the Listing of Securities on The Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (“Stock Exchange”), the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the share capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;

NOTICE OF ANNUAL GENERAL MEETING

- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options 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); or (ii) the grant or exercise of any option under the share option scheme of the Company or any other option scheme or similar arrangement for the time being adopted for the grant or issue of shares or rights to acquire shares of the Company; or (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company in force from time to time; or (iv) any issue of shares in the Company upon the exercise of rights of subscription or conversion under the terms of any existing warrants of the Company or any existing securities of the Company which carry rights to subscribe for or are convertible into shares of the Company, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (d) for the purpose of this resolution, “Relevant Period” means the period from the date of 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 the articles of association of the Company, or any applicable law of the Cayman Islands to be held; and
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.

“Rights Issue” means an offer of shares in the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for shares open for a period fixed by the Directors to holders of shares in the Company on the register on a fixed record date in proportion to their holdings of shares (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, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, or any recognised regulatory body or any stock exchange applicable to the Company).”

NOTICE OF ANNUAL GENERAL MEETING

5. to consider and, if thought fit, pass the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase its shares on the GEM or 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 (“Securities and Futures Commission”) and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange or of any other stock exchange as amended from time to time and all applicable laws in this regard, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company authorised to be repurchased by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (c) for the purpose of this resolution, “Relevant Period” means the period from the date of 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 the articles of association of the Company, or any applicable law of the Cayman Islands to be held; and
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.”

6. to consider and, if thought fit, pass the following resolution as an ordinary resolution:

“THAT conditional upon resolutions no. 4 and 5 above being passed, the unconditional general mandate granted to the Directors to allot, issue and deal with additional shares and to make or grant offers, agreements and options which might require the exercise of such powers pursuant to resolution no. 4 above be and is hereby extended by the addition thereto of 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 no. 5 above, 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 the passing of the said resolution.”

NOTICE OF ANNUAL GENERAL MEETING

7. as special business, to consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“**THAT** conditional on the GEM Listing Committee of the Stock Exchange granting the listing of and permission to deal in the shares in the Company to be issued pursuant to the exercise of any options to be granted under the share option scheme of the Company adopted on 11th February, 2000 (as amended by an addendum on 24th April, 2002) (“Share Option Scheme”) and any other schemes of the Company, the total number of shares of the Company to be allotted and issued pursuant to the grant or exercise of any options under the Share Option Scheme and any other schemes of the Company (excluding options previously granted, outstanding, cancelled, lapsed in accordance with the Share Option Scheme as at the date of passing of this resolution) be and is hereby subject to a maximum limit equal to 10 per cent. of the shares of the Company in issue at the date of passing of this resolution (“10 per cent. Option Limit”) and that the Directors be and are hereby unconditionally authorized, at their absolute discretion, to grant options to subscribe for shares of the Company up to the 10 per cent. Option Limit and to exercise all the powers of the Company to allot, issue and deal with the shares of the Company pursuant to the exercise of subscription rights under such options.”

SPECIAL RESOLUTION

8. as special business, to consider and, if thought fit, pass the following resolution as a special resolution:

“(i) **THAT** the articles of association of the Company be and are hereby amended in the following manner:

- (a) by adding the following definitions in Article 2:

Associate “Associate” means, in relation to any Director:

- (i) his spouse and any of his or his spouse’s children or step-children, natural or adopted, under the age of 18 (“family interests”);
- (ii) the trustees, acting in their capacity as such trustees, of any trust of which he or any of his family interests is a beneficiary or, in the case of a discretionary trust, is (to his knowledge) a discretionary object and any company (“trustee-controlled company”) in the equity capital of which the trustees, acting in their capacity as such trustees, are directly or indirectly interested so as to exercise or control the exercise of 30% (or such other amount as may from time to time be specified in the HK Code on Takeovers & Mergers as being the level for triggering a mandatory general offer) or more of the voting power at general

NOTICE OF ANNUAL GENERAL MEETING

meetings, or to control the composition of a majority of the board of Directors and any other company which is its subsidiary (together, the “trustee interests”);

- (iii) a holding company of a trustee-controlled company or subsidiary of any such holding company;
- (iv) any company in the equity capital of which he, his family interests, any of the trustees referred to in (ii) above, acting in their capacity as such trustees, and/or any trustee interests taken together are directly or indirectly interested so as to exercise or control the exercise of 30 per cent. (or such other amount as may from time to time be specified in the HK Code on Takeovers and Mergers as being the level for triggering a mandatory general offer) or more of the voting power at general meetings, or to control the composition of a majority of the board of Directors and any other company which is its subsidiary or holding company or a fellow subsidiary of any such holding company; and
- (v) any other persons who would be deemed as an “Associate” of the Director under the Listing Rules;

HK Code on Takeovers & Mergers “HK Code on Takeovers & Mergers” shall mean the Hong Kong Code on Takeovers and Mergers issued by the Securities and Futures Commission of Hong Kong as amended from time to time;

publication on the GEM website “publication on the GEM website” shall mean publication, in the form prescribed in the Listing Rules, in both the English and Chinese languages on the website of the Growth Enterprise Market of the Exchange in Hong Kong;

- (b) by amending the following definitions in Article 2 as follows:

recognised clearing house “recognised clearing house” shall mean a “recognised clearing house” within the meaning of Part 1 of Schedule 1 to the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong) and any amendments thereto or re-enactments thereof for the time being in force;

subsidiary and holding company “subsidiary” and “holding company” shall have the meanings attributed to such terms in the Companies Ordinance, but interpreting the term “subsidiary” in accordance with the definition of “subsidiary” under rule 1.01 of the Listing Rules;

NOTICE OF ANNUAL GENERAL MEETING

- (c) by adding immediately following the word “mean” the word “any” in the definition of “Director” in Article 2;
- (d) by adding immediately following the words “the Listing Rules” in Article 28 the words “, by publication on the GEM website or”;
- (e) by adding immediately following the words “from time to time” in the second line of Article 41(f) the words “prescribed in the Listing Rules”;
- (f) by adding immediately following the words “subject to the Listing Rules” in Article 44 the words “by publication on the GEM website or”;
- (g) by substituting the word “exclusive” by the word “inclusive” in Article 73(a);
- (h) by amending Article 80 in the following manner:
 - (i) by adding immediately following the word “unless” in the third line of Article 80 the words “a poll is required under the Listing Rules”;
 - (ii) by deleting the existing Articles 80(b) and (c) in their entirety and substituting therefor the following new Articles:
 - 80.(b) at least five members present in person or by proxy and entitled to vote at the meeting; or
 - (c) one or more members present in person or by proxy who are entitled to vote and who represent in 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
 - (iii) by deleting the words in the first line of the last paragraph of Article 80 “Unless withdrawn” and substituting therefor the words “Unless a poll is so required or demanded and, in the latter case, the demand is not withdrawn”;
- (i) by amending Article 81 in the following manner:
 - (i) by adding immediately following the word “is” in the first line of Article 81(a) the words “required or”; and
 - (ii) by adding immediately following the word “The” in the first line of Article 81(b) the words “requirement or”; and

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- (j) by re-numbering Article 85 as Article 85(a) and adding thereafter the following paragraph as Article 85(b):

Counting of votes (b) Where any member is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting for or against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

- (k) by adding immediately following Article 90 the following paragraph:

If more than one valid proxy form is delivered in respect of the same share for use at the same meeting, the one which is delivered last (regardless of the date on which it is signed) will be treated as the only valid form. If it is not possible to determine the order of delivery, none of the forms will be treated as valid.

- (l) by amending Article 96(b) to read as follows:

96.(b) If a recognised clearing house (or its nominee(s)) is a member of the Company it may, by resolution of its directors or other governing body or by power of attorney, authorise such person or persons as it thinks fit to act as its representative or representatives at any general meeting of the Company or at any general meeting of any class of members of the Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. Each person so authorised pursuant to this provision shall be entitled to exercise the same rights and powers on behalf of the recognised clearing house (or its nominee(s)) which he represents as that recognised clearing house (or its nominee(s)) could exercise as if such person were an individual member of the Company holding the number and class of shares specified in such authorisation including the right to vote individually on a show of hands notwithstanding any contrary provisions contained in these Articles.

- (m) by amending Article 107(c) in the following manner:

- (i) by adding immediately following the word “he” in the fifth line of the first paragraph by the words “or any of his Associates”;
- (ii) by adding immediately following the word “Director” the words “or his Associates” and immediately following the words “by him” the words “or any of them” in Article 107(c)(i)(aa);

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- (iii) by adding immediately following the word “Director” the words “or his Associates” and immediately following the word “himself” the word “/themselves” in Article 107(c)(i)(bb);
- (iv) by deleting the words “is or is” immediately after the word “Director” in the seventh line of Article 107(c)(iii) and substituting therefor the words “or his Associates is/are or is/are”;
- (v) by amending Article 107(c)(iii) to read as follows:
 - 107.(c)(iii) any proposal concerning any other company in which the Director or his Associates is/are interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the Director is beneficially interested in the shares of that company, provided that, the Director and any of his Associates are not in aggregate beneficially interested in five per cent. or more of the issued shares of any class of such company (or of any third company through which his interest or that of any of his Associates is derived) or of the voting rights;
- (vi) by deleting the word “he” in the fifth line of Article 107(c)(iv)(aa) and substituting therefor the words “the Director or his Associates”;
- (vii) by adding immediately following the word “Directors” in the sixth line of Article 107(c)(iv)(bb) the words “, their Associates” and immediately following the word “Director” in the ninth line of the same Article the words “or his Associates,”;
- (viii) by adding immediately following the word “Director” in the second line of Article 107(c)(v) the words “or his Associates is/are” and immediately following the word “his” in the fifth line of the same Article the word “/their”;
- (ix) by deleting the words “a Director’s interest” in the second and third lines of Article 107(e) and substituting therefor the words “the interest of a Director or his Associates”, adding immediately following the words “interest of the Chairman” in the twelfth line the words “or of his Associates” and adding the words “and of his Associates” immediately following the words “Chairman)” in the nineteenth line of the same Article;
- (n) by deleting Article 107(f) in its entirety;
- (o) by adding immediately following the word “Articles” the words “provided always that it is also” in Article 112(c);

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- (p) by deleting Article 120 in its entirety and substituting therefor the following new Articles:

120. No person other than a retiring Director shall, unless recommended by the Board, be eligible for election to the office of Director at any general meeting unless, during the 7-day period commencing from the date immediately after the despatch of the notice of the meeting appointed for such election, there has been given to the Secretary notice in writing by a member of the Company (not being the person to be proposed) entitled to attend and vote at the meeting for which such notice is given, of his intention to propose such person for election as a Director and also notice in writing signed by the person to be proposed of his willingness to be elected.

- (q) by adding immediately following the words “the Listing Rules,” the words “by publication on the GEM website or” in Article 157(a)(iv);

- (r) by adding immediately following the words “in the newspapers” the words “or, to the extent permitted by the Listing Rules, by publication on the GEM website” in Article 167(a);

- (s) by amending the last sentence of Article 169 to read as follows:

Any notice given by publication on the GEM website or by electronic means as provided herein shall be deemed to have been served and delivered on the day following that on which it first appears on the GEM website or it is successfully transmitted (as the case may be) or at such later time as may be prescribed by the Listing Rules or any applicable laws or regulations.

- (t) by adding immediately following the words “the Law” the words “, the Listing Rules” in Article 169A.

- (ii) **“THAT** all references in the memorandum and articles of association of the Company to the “Companies Law (2002 Revision)” be and are hereby replaced by references to the “Companies Law (2003 Revision).”

- (iii) **“THAT** new memorandum and articles of association of the Company, consolidating all of the changes referred to above and in the form produced to the meeting, be and are hereby adopted with immediate effect in replacement of the existing memorandum and articles of association of the Company.”

By Order of the Board
TOM GROUP LIMITED
Angela Mak
Company Secretary

NOTICE OF ANNUAL GENERAL MEETING

Head office and principal place of business:

48/F., The Center,
99 Queen's Road Central,
Central, Hong Kong

Notes:

1. A member of the Company entitled to attend and vote at the Annual General Meeting convened by the above notice is entitled to appoint one or more proxies to attend and, on a poll, vote instead of such member. A proxy need not be a member of the Company.
2. In order to be valid, the form of proxy together with a power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the principal place of business of the Company at 48/F., The Center, 99 Queen's Road Central, Central, Hong Kong not less than 48 hours before the time appointed for holding the Annual General Meeting (or any adjournment thereof).

* *for identification purpose*