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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;

- (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).”

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.”

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 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;

(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
- (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.
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- (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);
- (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);

(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

Hong Kong, 31st March, 2004

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).

This announcement, for which the Directors of the Company 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 the Company. The Directors of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:- (i) the information contained in this announcement 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 announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement 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 the Company at www.tomgroup.com.

** for identification purpose*