
IMPORTANT

The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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

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

This circular, for which the directors (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 for the purpose of giving information with regard to the Company. The Directors of the Company having made all reasonable enquires, 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.



RIVERHILL HOLDINGS LIMITED

山河控股有限公司*

(incorporated in Cayman Islands with limited liability)

(Stock Code: 8127)

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES AND AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND NOTICE OF ANNUAL GENERAL MEETING

The notice convening the annual general meeting of the Company to be held at Nathan Hotel, Conference Room, Penthouse (15th Floor), 378 Nathan Road, Kowloon, Hong Kong, on Friday, 25th February, 2005 at 11:00 a.m. is set out on pages 14 to 19 of this document.

Whether or not you propose to attend the annual general meeting, you are requested to complete the form of proxy and return the same to the Company’s Branch Share Registrar in Hong Kong, Standard Registrars Limited at Ground Floor, Bank of East Asia, Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time appointed for the annual general meeting. Completion and delivery of the form of proxy will not preclude you from attending and voting at the annual general meeting if you so wish.

This circular will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for 7 days from the date of its posting.

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 the 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 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 at <http://www.hkgem.com> in order to obtain up-to-date information on GEM-listed issuers.

CONTENTS

	<i>Pages</i>
Definitions	1
Letter from the Chairman	
Introduction	3
New Issue Mandate	4
Repurchase Mandate	4
Amendments to the Articles	5
Annual General Meeting	5
Procedures for demanding a poll at the AGM	5
Re-election of directors	6
Recommendation	6
Appendix I – Explanatory Statement	7
Appendix II – Details of Directors proposed to be re-elected	11
Notice of Annual General Meeting	14

DEFINITIONS

In this circular, the following expressions have the meanings respectively set opposite them unless the context otherwise requires:

“2004 Annual Report”	the Audited Consolidated Financial Statements and the Reports of the Directors and Auditors of the Company for the year ended 30th June, 2004
“AGM”	the annual general meeting of the Company to be held at Nathan Hotel, Conference Room, Penthouse (15th Floor), 378 Nathan Road, Kowloon, Hong Kong, on Friday, 25th February, 2005 at 11:00 a.m.
“Commission”	Securities and Futures Commission
“Company”	Riverhill Holdings Limited, a company incorporated in the Cayman Islands with limited liability
“Directors”	directors of the Company
“GEM”	The Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	Rules Governing the Listing of Securities on The Growth Enterprise Market of the Stock Exchange as amended from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	26th January, 2005, being the latest practicable date for the ascertaining of certain information in this circular prior to the printing of this circular
“New Issue Mandate”	the general mandate to allot, issue and deal with Shares not exceeding 20% of the issued share capital of the Company as at the date of passing of the resolution approving the Issue Mandate
“Repurchase Mandate”	the general mandate to exercise the power of the Company to repurchase Shares up to a maximum of 10% of the issued share capital of the Company as at the date of the resolution approving the Repurchase Mandate

DEFINITIONS

“Share(s)”	share(s) of nominal value of HK\$0.10 each in the share capital of the Company
“Shareholders”	holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers approved by the Commission as amended from time to time

LETTER FROM THE CHAIRMAN



RIVERHILL HOLDINGS LIMITED

山河控股有限公司*

(incorporated in Cayman Islands with limited liability)

(Stock Code: 8127)

Executive Directors:

Mr. Sze Edvon Yeung Lung
Mr. Shum Sai

Independent non-executive Directors:

Mr. Fu Wing Kwok, Ewing
Mr. Chu Chi Kong, Francis
Mr. Cheung Kwok Chiu, Kris

Registered office:

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

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

Room 1502
SBI Centre
54-58 Des Voeux Road Central
Hong Kong

2nd February, 2005

To the shareholders of the Company

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
AND
AMENDMENTS TO THE ARTICLES OF ASSOCIATION
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

At the AGM of the Company to be held at Nathan Hotel, Conference Room, Penthouse (15th Floor), 378 Nathan Road, Kowloon, Hong Kong, on Friday, 25th February, 2005 at 11:00 a.m., resolutions will be proposed to, inter alia, approve the following:

- (a) the grant to the Directors of a general mandate to allot, issue and deal with Shares not exceeding 20% of the aggregate of the total nominal value of the share capital of the Company in issue at the date of passing such resolution;

* for identification only

LETTER FROM THE CHAIRMAN

- (b) the grant to the Directors of a general mandate to repurchase Shares not exceeding 10% of the aggregate of the total nominal value of the share capital of the Company in issue at the date of passing such resolution;
- (c) to add to the allotment mandate for issuing Shares set out in (a) above the number of Shares repurchased by the Company pursuant to the repurchase mandate set out in (b) above; and
- (d) to amend the Company's Articles of Association (the "**Articles**") in compliance with the changes to the GEM Listing Rules which came into effect on 31st March, 2004, further details of which are set out below.

The abovementioned general mandates will expire at the conclusion of the AGM and the purpose of this circular is to request your support to renew the general mandates at the AGM.

The Schedule to this circular contains an explanatory statement, as required by Rule 13.08 of the GEM Listing Rules, to provide the requisite information to Shareholders to enable Shareholders to make an informed decision on whether to vote for or against the resolution to grant the New Issue Mandate and the Repurchase Mandate.

NEW ISSUE MANDATE

At the AGM, an ordinary resolution will be proposed which, if passed, will give the Directors the New Issue Mandate. In addition, conditional upon the proposed resolution to grant to the Directors the Repurchase Mandate being passed, an ordinary resolution will be proposed to authorise the Directors to allot, issue and otherwise deal with new Shares up to an amount equal to the aggregate nominal amount of the Shares repurchased by the Company in order to provide flexibility for issuing new Shares when it is in the interests of the Company to do so.

REPURCHASE MANDATE

An ordinary resolution will be proposed at the AGM to grant to the Directors the Repurchase Mandate, details of which are set out in ordinary resolution no. 5 in the notice of the AGM (the "**AGM Notice**"). The Shares which may be repurchased pursuant to the Repurchase Mandate is limited to a maximum of 10% of the issued share capital of the Company at the date of passing of the resolution approving the Repurchase Mandate.

LETTER FROM THE CHAIRMAN

AMENDMENTS TO THE ARTICLES

At the AGM, a special resolution, as set out in the notice of AGM, will be proposed to amend the Articles in compliance with the changes made to the GEM Listing Rules by the Stock Exchange which took effect from 31st March 2004. Such changes to the GEM Listing Rules mainly relate to corporate governance and continuing listing obligations of companies listed on the Stock Exchange. Details of the proposed amendments are set out in the notice of AGM.

ANNUAL GENERAL MEETING

A notice of AGM is set out on pages 14 to 19 of this circular.

A form of proxy for the AGM is enclosed with this circular. Whether you intend to attend the AGM or not, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to the Company's Branch Share Registrar in Hong Kong, Standard Registrars Limited at Ground Floor, Bank of East Asia, Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time fixed for the AGM. Completion and delivery of the form of proxy will not preclude you from attending and voting at the AGM in person if you so wish.

PROCEDURES FOR DEMANDING A POLL AT THE AGM

Under the Articles, a poll may be properly demanded at a general meeting of the Company in one of the following manners:

- (a) the Chairman of the meeting; or
- (b) at least five members present in person or by proxy and entitled to vote or who represent in the aggregate not less than one-tenth of the total voting rights of all members having the right to attend and vote at the meeting; or
- (c) any member or members present in person or by proxy and holding shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

LETTER FROM THE CHAIRMAN

RE-ELECTION OF DIRECTORS

In accordance with article 99 of the Articles of Association, Mr. Sze Edvon Yeung Lung (executive Director and Chairman), Mr. Shum Sai (executive Director), Mr. Fu Wing Kwok, Ewing (independent non-executive Director), Mr. Chu Chi Kong Francis (independent non-executive Director) and Mr. Chung Kwok Chiu, Kris (independent non-executive Director) will retire and, being eligible, offer themselves for re-election at the AGM. Details of Directors proposed to be re-elected are set out in Appendix II to this circular.

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 recommend all Shareholders to vote in favour of all the resolutions relating to the New Issue Mandate, the Repurchase Mandate and the amendments to Articles of Association to be proposed at the AGM.

Yours faithfully
On behalf of the Board of Directors of
Riverhill Holdings Limited
Sze Edvon Yeung Lung
Chairman

This is an explanatory statement given to all Shareholders relating to the resolution to be proposed at the AGM authorising the Repurchase Mandate. This explanatory statement contains all the information required pursuant to Rule 13.08 and other relevant provisions of the GEM Listing Rules and the Stock Exchange.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 415,000,000 Shares.

Subject to the passing of the ordinary resolution no. 5 set out in the notice of AGM and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 41,500,000 Shares during the period from the date on which such resolution is passed until the date 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 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 in general meeting, whichever occurs first.

2. REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and its Shareholders for the Directors to have general authority from Shareholders to enable the Company to repurchase Shares in the market. Repurchases of Shares will only be made when the Directors believe that such repurchase will benefit the Company and the Shareholders. 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/or its earnings per Share.

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, the GEM Listing Rules and the applicable laws of the Cayman Islands. The Company may not repurchase its own Shares 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 2004 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 the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. SHARE PRICES

The highest and lowest prices at which the Shares were traded on the GEM during each of the previous 12 months are as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
January 2004	suspended	suspended
February 2004	suspended	suspended
March 2004	suspended	suspended
April 2004	suspended	suspended
May 2004	suspended	suspended
June 2004	suspended	suspended
July 2004	suspended	suspended
August 2004	suspended	suspended
September 2004	suspended	suspended
October 2004	suspended	suspended
November 2004	suspended	suspended
December 2004 (up to the Latest Practicable Date)	suspended	suspended

The Shares have been suspended from trading since 24th July, 2003 and it will continue to be suspended until further notice.

6. DIRECTORS' UNDERTAKING

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

7. TAKEOVERS CODE CONSEQUENCE

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 Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert (within the meaning under the Takeovers 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 Takeovers Code.

As at the Latest Practicable Date, the following Shareholders are interested in more than 10% of the Shares then in issue:

Name	Number of Shares	Percentage holding
Cyber Town Company Limited (<i>Note 1</i>)	105,921,569	25.52%
Global Eagle Investments Limited (<i>Note 2</i>)	79,806,031	19.23%
Cyber City Technology Limited	57,254,902	13.80%
Digital World Holdings Limited	29,433,725	7.10%

Notes:

- (1) Cyber Town Company Limited is beneficially owned as to 30% by Mr. Yick Chong San.
- (2) Global Eagle Investments Limited disposed 34,703,773 shares of the Company on 18th November, 2003. The remaining number of shares held is 79,806,031 representing 19.23% of shareholding.

In the event that the Directors exercise in full the power to repurchase Shares in accordance with the Repurchase Mandate, the total interests of the above Shareholders in the Shares would be increased to:

Substantial Shareholders	Percentage holding
Cyber Town Company Limited	28%
Global Eagle Investments Limited	21%
Cyber City Technology Limited	15%
Digital World Holdings Limited	8%

The Directors are not aware of any consequences which may arise under the Takeover Code as a result of any purchase made under the Repurchase Mandate. However, the Company may not repurchase Shares which would result in the amount of Shares held by the public being reduced to less than 25%.

None of the Directors nor, to the best of their knowledge, having made all reasonable enquiries, any of their associates (as defined in the GEM Listing Rules) has notified the Company of any present intention, if the Repurchase Mandate is approved by the Shareholders, to sell Shares to the Company or its subsidiaries.

No connected person (as defined in the GEM Listing Rules) has notified the Company that it has a 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.

8. SHARES REPURCHASE MADE BY THE COMPANY

No repurchases of Shares have been made by the Company (whether on the GEM or otherwise) during the period of six months prior to the Latest Practicable Date.

The following are the particulars of the Directors proposed to be re-elected at the AGM:

Mr. Sze Edvon Yeung Lung (“Mr. Sze”)

Mr. Sze has been appointed as Chairman and executive Director with effect from 14th October, 2004. Pursuant to his appointment as the Chairman and Executive Director of the Company Mr. Sze will oversee management and formulate strategic corporate planning of the Company.

Mr. Sze, aged 35, has over nine years of experience in finance, accounting and administration. Mr. Sze obtained a bachelor degree of commerce in accounting from the University of Canberra, Australia in 1995. Prior to joining the Company, Mr. Sze was an executive director of Grandtop International Holdings Limited, a company listed on the main board of the Stock Exchange of Hong Kong Limited in the past.

Mr. Sze has no relationship with any director, senior management, management shareholders, substantial shareholders, or controlling shareholders of the Company. Mr. Sze has no interest in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. There is no service contract entered between Mr. Sze and the Company and his emolument, which is based on the market conditions and his roles and responsibilities, is currently HK\$114,000 per annum (not including any bonus, which is wholly discretionary to be determined by the board of Directors based on the performance of Mr. Sze). There are no other matters that need to be brought to the attention of holders of securities of the Company and the Stock Exchange.

Mr. Shum Sai (“Mr. Shum”)

Mr. Shum has been appointed as an executive Director with effect from 1st August, 2003. He is also the compliance officer of the Company.

Mr. Shum is a professional electronic engineer who has engaged in the electronic industry for more than 15 years. He has worked as a tutor in Vocational Training Centre for 5 years and then worked as a chief engineer for about 10 years responsible for OEM business development. Since July 2001, Mr. Shum has been employed by the Company as full time assistant to Professor Mr. He Xiao Feng (“Professor He”), the former Chairman of the Company who stepped down and became the Honorary Chairman of the Company in October 2002. He helped Professor He in project development of the Company and liaison with other parties and is still doing the same after Professor He stepped down. With his background and experience, Mr. Shum is able to advise the Company from technical point of review.

Mr. Shum has no relationship with any director, senior management, management shareholders, substantial shareholders, or controlling shareholders of the Company. Mr. Shum has no interest in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. There is no service contract entered between Mr. Shum and the Company and his emolument, which is based on the market conditions and his roles and responsibilities, is currently HK\$114,000 per annum (not including any bonus, which is wholly discretionary to be determined by the board of Directors based on the performance of Mr. Shum). There are no other matters that need to be brought to the attention of holders of securities of the Company and the Stock Exchange.

Mr. Fu Wing Kwok, Ewing (“Mr. Fu”)

Mr. Fu has been appointed as an independent non-executive Director with effect from 14th October, 2004. Mr. Fu has also been appointed as the member of the Audit Committee of the Company on the same day.

Mr. Fu, aged 34, is the financial controller and company secretary of Minglun Group (Hong Kong) Limited, a company listed on the Stock Exchange. He holds a bachelor degree in science with major in accounting from Bemidji State University, USA and is a member of both American Institute of Certified Public Accountants and Hong Kong Institute of Certified Public Accountants. He has over 10 years of experience in auditing and accounting field. Mr. Fu is also an independent non-executive Director of Grandtop International Holdings Limited, a company listed on the main Board of the Stock Exchange. Mr. Fu does not have a fixed tenure of appointment with the Company and his remuneration will be recommended and fixed by the Board of Directors with reference to the market rate.

Mr. Fu has no relationship with any director, senior management, management shareholders, substantial shareholders, or controlling shareholders of the Company. Mr. Fu has no interest in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. There is no service contract entered between Mr. Fu and the Company. Mr. Fu does not currently receive any remuneration and his emolument will be determined by the board of Directors with reference to the market rate as an independent non-executive director. There are no other matters that need to be brought to the attention of holders of securities of the Company and the Stock Exchange.

Mr. Chu Chi Kong Francis (“Mr. Chu”)

Mr. Chu has been appointed as an independent non-executive Director with effect from 12th November, 2003.

Mr. Chu, aged 34, is currently as a chiropractor of Dr. Francis C. K. Chu Chiropractic Clinic since 2001 and has over 8 years of experience in that field.

Mr. Chu has no relationship with any director, senior management, management shareholders, substantial shareholders, or controlling shareholders of the Company. Mr. Chu has no interest in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. There is no service contract entered between Mr. Chu and the Company. Mr. Chu does not currently receive any remuneration and his emolument will be determined by the board of Directors with reference to the market rate as an independent non-executive director. There are no other matters that need to be brought to the attention of holders of securities of the Company and the Stock Exchange.

Mr. Cheung Kwok Chiu, Kris (“Mr. Cheung”)

Mr. Cheung has been appointed as an independent non-executive Director of the Company with effect from 12th November, 2003.

Mr. Cheung, aged 35, has over 13 years of experience in commodity trading, project consulting and investment in various fields.

Mr. Cheung has no relationship with any director, senior management, management shareholders, substantial shareholders, or controlling shareholders of the Company. Mr. Cheung has no interest in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. There is no service contract entered between Mr. Cheung and the Company. Mr. Cheung does not currently receive any remuneration and his emolument will be determined by the board of Directors with reference to the market rate as an independent non-executive director. Save as disclosed herein, none of the Directors have directorship in any other public companies. There are no other matters that need to be brought to the attention of holders of securities of the Company and the Stock Exchange.

NOTICE OF ANNUAL GENERAL MEETING



RIVERHILL HOLDINGS LIMITED

山河控股有限公司*

(incorporated in Cayman Islands with limited liability)

NOTICE IS HEREBY GIVEN that the annual general meeting of shareholders of Riverhill Holdings Limited (the “Company”) will be held at Nathan Hotel, Conference Room Penthouse (15th Floor), 378 Nathan Road, Kowloon, Hong Kong on Friday, 25th February, 2005 11:00 a.m. for the following purposes:

ORDINARY BUSINESS

1. **“THAT** the Audited Consolidated Accounts and the Reports of the Directors and Auditors of the Company for the year ended 30th June, 2004 be received.”
2. **“THAT** the retiring directors(s) pursuant to Article 94 and 116 of the Articles of the Company be re-elected.”
3. **“THAT** the remuneration of the directors of the Company be determined.”
4. **“THAT** HLB Hodgson Impey Cheng be re-appointed as the auditors of the Company to hold office until the conclusion of the next annual general meeting and that their remuneration be determined by the board of directors of the Company (the “Directors”).”

SPECIAL BUSINESS

5. Resolutions 5 to 7 will be proposed as ordinary resolutions of the Company and Resolution 8 will be proposed as a special resolution of the Company:

“THAT:

- (a) subject to the provisions of paragraphs (b) and (c) below, the exercise by the Directors of all the powers of the Company to repurchase ordinary shares of HK\$0.10 each in the share capital of the Company on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (“Stock Exchange”) subject to and in accordance with all applicable laws and the provisions of, in the manner specified in the Rules Governing the Listing of Securities on the Stock Exchange be and is hereby generally and unconditionally approved;

* for identification only

NOTICE OF ANNUAL GENERAL MEETING

- (b) the aggregate nominal amount of shares hereby authorised to be repurchased by the Company pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of the annual general meeting at which this resolution is passed;
 - (c) the authority hereby conferred on the Company pursuant to the approval in paragraph (a) above shall expire on the earlier of (i) the conclusion of the next annual general meeting of the Company, or (ii) the date falling fifteen months from the date of the annual general meeting convened by the notice of which this resolution forms part or such shorter period within which the next annual general meeting of the Company is required by any applicable laws or the Company's articles of association to be held, or (iii) such authority given under this resolution being renewed, revoked or varied by ordinary resolution of shareholders of the Company in general meeting."
6. **“THAT:**
- (a) subject to the provisions of paragraphs (b) and (c) below, the exercise by the Directors of all the powers of the Company to allot, issue and deal with additional authorised and unissued shares in the capital of the Company and to make or grant offers, agreements and options, including warrants to subscribe for shares and other rights of subscription for or conversion into shares, which might require the exercise of such powers, be and is hereby generally and unconditionally approved;
 - (b) the aggregate nominal amount of the share capital to be allotted, issued and dealt with by the Directors of the Company pursuant to the approval in paragraph (a) above, other than as set out in paragraph (c) below, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the annual general meeting of the Company at which this resolution is passed and the authority conferred on the Directors pursuant to paragraph (a) above shall expire on the earlier of (i) the conclusion of the next annual general meeting of the Company, or (ii) the date falling fifteen months from the date of the annual general meeting convened by the notice of which this resolution forms part or such shorter period within which the next annual general meeting of the Company is required by any applicable laws or the Company's Articles of Association to be held or (iii) such authority being revoked or varied by ordinary resolution of the shareholders of the Company in general meeting, save that, in each case, this authority shall allow the Company before the expiry of this authority to make or grant offers, agreements and

NOTICE OF ANNUAL GENERAL MEETING

options (including warrants to subscribe for shares and other rights of subscription for or conversion into shares) which would or might require shares to be allotted and issued after such expiry and the Directors may allot, issue and deal with the shares in pursuance of such offers, agreements and options as if the authority conferred hereby had not expired;

- (c) the provisions of paragraph (b) above shall not apply to the aggregate nominal amount of share capital allotted and/or issued or agreed to be conditionally or unconditionally issued and/or allotted by the Directors pursuant to:
 - (i) a rights issue where shares are offered for a fixed period to shareholders in proportion to their then holdings of shares on a fixed record date (subject to such exclusions 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 recognised regulatory body or stock exchange in, any territory applicable to the Company); or
 - (ii) any scrip dividend scheme or similar arrangements implemented in accordance with the Company's articles of association; and
- (d) the approval in paragraph (a) above shall be in addition to any other authorisation given to the Directors."

7. "THAT conditional on the passing of Resolution 6 in the notice convening this meeting, the general mandate granted to the Directors and for the time being in force to exercise all the powers of the Company to allot, issue and deal with additional shares pursuant to Resolution 5 set out in the notice convening this meeting be and is hereby extended by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted or agreed to be conditionally or unconditionally allotted by the Directors pursuant to such general mandate 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 6, provided that such extended amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution."

NOTICE OF ANNUAL GENERAL MEETING

8. **“THAT** the Articles of Association of the Company be amended as follows:

- (a) By deleting the existing interpretation of “recognized clearing house” in Article 2 and substituting therefor the following new definition:

““recognized clearing house” shall mean a recognised clearing house within the meaning of the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong)”;

- (b) By deleting the words “Companies Ordinance” in the interpretation of “subsidiary and holding company” in Article 2 and substituting therefor the words “Listing Rules”;

- (c) By adding the following new Article 85A immediately after Article 85:

“85A. Where any shareholder is, under the Listing Rules, required to abstain from voting on any particular ordinary resolution or special resolution, or restricted to voting only for or only against any particular ordinary or special resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.”

- (d) By deleting the existing Article 107(c) and substituting therefor the following new Article 107(c):

“(c) Save as otherwise provided by these Articles, a Director shall not vote on any resolution of the Board approving any contract or arrangement or any other proposal in which to his knowledge he or any of his associate has a material interest nor shall he be counted in the quorum present at the meeting but this prohibition shall not apply to any of the following matters:–

- (i) the giving of any security or indemnity either:–

- (aa) to the Director or his associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries; or
- (bb) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has himself/themselves assumed

NOTICE OF ANNUAL GENERAL MEETING

responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;

- (ii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or his associate(s) is/are, or is/are to be, interested as a participant in the underwriting or sub-underwriting of the offer;
- (iii) any proposal concerning any other company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the Director or his associate(s) is/are beneficially interested in shares of that company, provided that the Director, and any of his associate are, not in aggregate beneficially interested in five (5) 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 his associate is derived) or of the voting rights;
- (iv) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:–
 - (aa) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which the Director or his associate(s) may benefit; or
 - (bb) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates to the Director, his associate(s) and employees of the Company or any of its subsidiaries and does not provide in respect of any Director, as any of his associate, as such any privilege or advantage not generally be accorded to the class of persons to which to which such scheme or fund relates; and

NOTICE OF ANNUAL GENERAL MEETING

- (v) any proposal in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.”
- (e) By deleting the existing Article 107(f) and substituting therefor the following new Article 107(f):
- “(f) For the purposes of paragraph (c) above, “associate” in relation to any Director shall have the meaning ascribed to it under the Listing Rules.”; and
- (f) By deleting the words “more than 28 clear days before the day appointed for the meeting” in Article 120 and substituting therefor the words “earlier than the day after the despatch of the notice of the meeting”.

By Order of the Board
Sze Edvon Yeung Lung
Chairman

Hong Kong, 2nd February, 2005

Notes:

1. Any member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. To be valid, the form of proxy must be deposited with the Company’s Registrars in Hong Kong, Standard Registrars Limited (“Standard Registrars”) 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 the Meeting or any adjournment thereof.