



LEI SHING HONG LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 238)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at Small Connaught Room, 1/F., Mandarin Oriental Hong Kong, 5 Connaught Road, Central, Hong Kong on 21 May 2004 at 10 a.m. for the following purposes:

1. To receive and adopt the financial statements and reports of the Directors and Auditors for the year ended 31 December 2003;
2. To declare a final dividend for the year ended 31 December 2003;
3. To elect Directors;
4. To approve the Directors' fees;
5. To appoint auditors and to authorise the Directors to fix their remuneration;
6. As special business, to consider and, if thought fit, pass with or without modifications the following resolutions as Ordinary Resolutions:

A. "THAT

- (a) subject to paragraph (c) below and pursuant to section 57B of the Companies Ordinance, the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company or securities convertible into such shares or options, warrants or similar rights to subscribe for any shares in the Company or convertible securities and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such power 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 an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph (a), otherwise than pursuant to (i) a Rights Issue; (ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company; (iii) any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; or (iv) 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, shall not exceed 20 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this Resolution and the said approval shall be limited accordingly;

(d) for the purposes of this Resolution:

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

- (i) the conclusion of the next annual general meeting of the Company; and
- (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 to be held; and
- (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders in general meeting.

“Right Issue” means an offer of shares open for a period fixed by the Directors of the Company to holders of shares of the Company on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).”

B. “THAT

- (a) subject to paragraph (b), the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to repurchase its own securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

(b) the aggregate nominal amount of securities of the Company which may be repurchased by the Company pursuant to the approval in paragraph (a) of this Resolution during the Relevant Period shall not exceed: (i) in the case of shares, 10 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this Resolution; and (ii) in the case of warrants, 10% of the number of warrants of the Company in issue as at the date of passing this Resolution, and the said approval shall be limited accordingly;

(c) for the purposes of this Resolution:

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

(i) the conclusion of the next annual general meeting of the Company; and

(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 to be held; and

(iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders of the Company in general meeting.”

C. “**THAT** conditional upon Resolution numbered 6B being passed, the aggregate nominal amount of the shares in the capital of the Company which are repurchased by the Company under the authority granted to the Directors as mentioned in Resolution numbered 6B shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company pursuant to Resolution numbered 6A, provided that the amount of share capital repurchased by the Company shall not exceed 10 per cent of the total nominal amount of the share capital of the Company in issue as at the date of passing this Resolution.”

7. As special business, to consider and, if thought fit, pass with or without modifications the following resolution as a Special Resolution:

“**THAT** the Articles of Association of the Company be amended in the following respects:

(a) by amending Article 2 as follows:

1. by adding a definition of “business day”, as follows:

““business day” shall mean any day on which The Stock Exchange of Hong Kong Limited is open for the business of dealing in securities;”;

2. by deleting the definition of “Hong Kong” and substituting ““Hong Kong” shall mean the Hong Kong Special Administrative Region of the People’s Republic of China;”;

3. by deleting the words “or corporation” from the definition of “Secretary”;

4. by deleting the definitions of ““writing” or “printing”” in its entirety and substituting therefor the following paragraph:

“Expressions referring to “writing” or “printing” shall, unless the contrary intention appears, be construed as including reference to writing, printing, lithography, photography and other modes of representing or reproducing words or figures in a visible form;”

- (b) by adding the words “or by the Companies Ordinance” immediately after the words “The Stock Exchange of Hong Kong Limited” in the fourth line of Article 16.
- (c) by deleting the words “the Securities and Futures (Clearing Houses) Ordinance (Chapter 420 of the Laws of Hong Kong)” in the second line of Article 96A and substituting therefor “the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)”.
- (d) by inserting immediately after Article 96A, the following as new Article 96B:

“96B. Where a member is, under the applicable rules of The Stock Exchange of Hong Kong Limited, required to abstain from voting on any particular resolution or restricted to voting only for or only 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.”

- (e) by inserting immediately after paragraph (D) of Article 100, the following as new paragraph (E) of Article 100:

“(E) Where a Director has appointed a person (including another Director) to be his alternate Director:

- (i) the alternate Director so appointed shall not be deemed to be the agent of or for the Director appointing him; and
- (ii) the Director appointing the alternate Director shall not be vicariously liable for any tort committed by the alternate Director so appointed.”

- (f) by deleting the paragraph (B) of Article 107 in its entirety and substituting therefor the following as new paragraph (B) of Article 107:

“(B) Notwithstanding any provisions in these Articles to the contrary, a Director shall not, as a Director, vote on any resolution of the Directors approving any transaction in which he or his associate(s) has a material interest, and if he shall do so his vote shall not be counted, nor in relation thereto shall he be counted in the quorum present at the meeting, but (in the absence of some other material interest than is mentioned below) none of these prohibitions shall apply to:

- (i) the giving of any security or indemnity to any Director or his associate(s) in respect of money lent by him or any of them 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
- (ii) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which any Director or his associate(s) has/ have himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security; or

- (iii) 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 any 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; or
- (iv) any transaction concerning any other company in which any Director or his associate(s) is/are not materially interested (as defined below); or
- (v) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:
 - (a) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which any Director or his associate(s) may benefit; or
 - (b) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to Directors, his associate(s) and employees of the Company or any of its subsidiaries and does not provide in respect of any Director, or his associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; or;
- (vi) any transaction in which any 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;

and so that the interest of a Director shall not be treated as material in the case of any transaction concerning any other company in which the Director or his associate(s) is/are interested, 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(s) are not in aggregate beneficially interested in five per cent. or more of the issued shares or voting rights of any class of such company (or of any third company through which his interest or that of his associate(s) is derived) (any such interest being deemed for the purposes of this Article to be a material interest in all circumstances). For the purposes of this paragraph (B), the term "associate", in relation to any Director, has the meaning ascribed to it under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited."

- (g) by adding the words "or any of his associate(s)" immediately after the words "any transaction in which he" in the second line and by deleting the words "or which falls within sub-paragraph (A) (ii) of this Article" in the third line of paragraph (C) of Article 107.
- (h) by deleting the words "as known to such Director" immediately after the words "the Director concerned" in the ninth line of paragraph (E) of Article 107.
- (i) by deleting the words "of the company may vote" immediately after the words "and any Director" in the twenty-first line of paragraph (A) of Article 107A and substituting therefor "may vote (if he has no material interest (as defined above))".
- (j) by deleting the words "at least fourteen days before the date of the general meeting" in the seventh line of Article 120 and substituting therefor "at any time during a period of at least seven days, which period shall commence no earlier than the day after the despatch of the notice of such general meeting and end no later than seven days prior to the date of such general meeting."

(k) by deleting the words “the names and addresses and occupations of its Directors” in the first line of Article 121 and substituting therefor “such particulars of its Directors required by the Companies Ordinance”.

(l) by deleting the last sentence of Article 134 in its entirety.

(m) by deleting Article 135 in its entirety and substituting therefor the following as new Article 135:

“135. The Secretary shall be an individual ordinarily reside in Hong Kong.”

(n) by deleting Article 158 in its entirety and substitute therefor the following as new Article 158:

“158. The Company shall cause to be kept proper books of account with respect to all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place, all sales and purchases of goods by the Company and the assets and liabilities of the Company, and of all other matters required by the Companies Ordinance or necessary to give a true and fair view of the state of the Company’s affairs and to explain its transactions.”

(o) by inserting immediately after paragraph (B) of Article 174, the following as new paragraph (C), paragraph (D) and paragraph (E) of Article 174:

“(C) The Company may indemnify any Director or other officer of the Company, against any liability incurred by him:

(i) in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted; or

(ii) in connection with any application under section 358 of the Companies Ordinance in which relief is granted to him by the court.

(D) The Company may purchase and maintain for any Director or officer of the Company:

(i) insurance against any liability to the Company, a related company or any other party in respect of any negligence, default, breach of duty or breach of trust (save for fraud) of which he may be guilty in relation to the Company or a related company; and

(ii) insurance against any liability incurred by him in defending any proceedings, whether civil or criminal, taken against him for any negligence, default, breach of duty or breach of trust (including fraud) of which he may be guilty in relation to the Company or a related company.”

(E) In this Article, “related company”, in relation to the Company, shall mean any company that is the Company’s subsidiary or holding company or a subsidiary of the Company’s holding company.”

8. To transact any other business.

By order of the Board
Marianne Lim
Company Secretary

Hong Kong, 27 April 2004

Registered Office:

8th Floor
New World Tower I
18 Queen's Road Central
Hong Kong

Notes:

1. A member entitled to attend and vote is entitled to appoint one or more proxies to attend and on a poll vote instead of him; a proxy need not be a member of the Company. To be valid, a form of proxy, together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited with the Company's Registered Office, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting.
2. The transfer books and Registers of Members and Warrantholders of the Company will be closed from 15 May 2004 to 21 May 2004 (both days inclusive) to determine entitlements to the final dividend. To rank for the final dividend, shareholders must ensure that transfers are lodged with the Company's Registrar, Tengis Limited, G/F BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong for registration no later than 4:30 p.m. on 14 May 2004.
3. Concerning item (3) above, Mr Yong Foo San, Mr Fung Ka Pun and Ms Lim Mooi Ying, Marianne will retire by rotation and, being eligible, offer themselves for re-election at the Annual General Meeting.
4. Concerning item (6) above, the Directors wish to state that they have no immediate plans to repurchase any existing shares and/or warrants or to issue any new shares of the Company. Approval is being sought from Members as a general mandate pursuant to the provisions of the Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("the Listing Rules").
5. The purpose of item (7) above is to bring the Articles of Association of the Company in line with certain changes to the Companies Ordinance which came into effect on 13 February 2004, and the Listing Rules which came into effect on 31 March 2004.
6. In relation to items (3), (6) and (7), a circular as required by the Listing Rules will be despatched to the members with the Company's 2003 Annual Report.

"Please also refer to the published version of this announcement in the South China Morning Post"