
IMPORTANT

If you are in doubt about this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitors, professional accountant or other professional adviser.

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

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ALPHA GENERAL (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 73)

**GENERAL MANDATES
FOR ISSUE OF SHARES AND REPURCHASE BY
THE COMPANY OF ITS OWN SHARES,
AMENDMENTS TO EXISTING BYE-LAWS,
NOTICE OF ANNUAL GENERAL MEETING
AND
RE-ELECTION OF DIRECTORS**

The notice convening an Annual General Meeting of the Company (the “Annual General Meeting”) to be held at Aberdeen, Level 3, JW Marriott Hotel, Pacific Place, 88 Queensway, Hong Kong on Monday, 30 August, 2004 at 10:00 a.m. is set out on pages 10 to 21 of this circular. If you are not able to attend the meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the Annual General Meeting.

30 July, 2004

LETTER FROM THE CHAIRMAN



ALPHA GENERAL (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 73)

Directors:

Mr. Chu Ka Lok, Peter *(Chairman and President)*

Mr. Wat Hon Keung *(Vice President)*

Mr. Chan Kai Kwok

Ms. Chu Maria Teresa

* Mr. Chan Chi Keung, Chris

* Dr. Wu Shu Chih, Alex

* *Independent non-executive directors*

Registered Office:

Clarendon House,

2 Church Street,

Hamilton HM 11,

Bermuda.

Principal Office in Hong Kong:

Room 1503, Dominion Centre,

43-59 Queen's Road East,

Hong Kong.

30 July, 2004

To the Shareholders

Dear Sir or Madam,

GENERAL MANDATES

FOR ISSUE OF SHARES AND REPURCHASE BY

THE COMPANY OF ITS OWN SHARES,

AMENDMENTS TO EXISTING BYE-LAWS,

NOTICE OF ANNUAL GENERAL MEETING

AND

RE-ELECTION OF DIRECTORS

INTRODUCTION

The purpose of this circular is to provide you with information regarding resolutions to be proposed at an Annual General Meeting of the Company (the "Annual General Meeting") to be held at Aberdeen, Level 3, JW Marriott Hotel, Pacific Place, 88 Queensway, Hong Kong on 30 August, 2004. These include resolutions relating to general mandates for the issue of new shares by the Company and for the repurchase by the Company of its own shares and amendments to existing bye-laws of the Company (the "Bye-laws").

LETTER FROM THE CHAIRMAN

GENERAL MANDATE TO REPURCHASE SHARES

On 28 August, 2003, a general mandate was given to the Directors of the Company (the “Directors”) to exercise all the powers of the Company to repurchase its own shares which will lapse at the conclusion of the Annual General Meeting. An ordinary resolution will therefore be proposed at the Annual General Meeting to approve the grant of a general mandate to the Directors to repurchase on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) shares of the Company up to a maximum of 10 per cent of the issued share capital of the Company at the date of the resolution (the “Repurchase Mandate”).

If the resolution for the Repurchase Mandate is passed at the Annual General Meeting, the Repurchase Mandate would continue in force until the conclusion of the next annual general meeting of the Company unless it is renewed at such meeting or until the expiration of the period within which the next annual general meeting of the Company is required by all applicable laws or the Company’s Bye-laws to be held or until revoked or varied by ordinary resolution of the shareholders of the Company (the “Shareholders”) in general meeting prior to the next annual general meeting.

An explanatory statement to provide Shareholders with all the information reasonably necessary for them to make an informed decision in relation to this proposed resolution as required by the Rules Governing the Listing of Securities (the “Listing Rules”) on the Stock Exchange concerning the regulation of purchases by companies of their own securities on the Stock Exchange is set out in the Appendix to this circular.

GENERAL MANDATE TO ISSUE SHARES

Ordinary resolutions will also be proposed at the Annual General Meeting (i) to grant a general mandate to the Directors to issue and otherwise deal with shares of the Company up to a maximum of 20 per cent of the issued share capital of the Company at the date of the resolution (the “General Mandate”) and (ii) to approve the addition to the General Mandate of any shares repurchased by the Company under the authority of the Repurchase Mandate. The Directors have no present intention to issue any new shares.

AMENDMENTS TO EXISTING BYE-LAWS

The Stock Exchange has revised the Listing Rules and the amended Listing Rules have become effective on 31 March, 2004. In addition, the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”) has become effective on 1 April, 2003.

The Directors therefore propose to make certain amendments to the Bye-laws in compliance with the amended Listing Rules and at the same time bring the Bye-laws up to date with the SFO and the law of Bermuda since July, 1997.

The following is a summary of the major proposed amendments to the Bye-laws to reflect the legislative changes to the SFO and to incorporate the changes that are required under the revised Listing Rules:

Bye-law 1 – Interpretation

New definition of “associate” will be added to bring the Bye-laws up to date with the Listing Rules. The definition of “clearing house” will be amended to comply with the SFO.

LETTER FROM THE CHAIRMAN

Bye-laws 66 and 84(2) – Proxy appointed by clearing house

Bye-laws 66 and 84(2) will be amended so that a recognized clearing house under the SFO, and/or its nominees can appoint multiple proxies to attend and vote at any shareholders' meeting as provided under the SFO.

Bye-law 76(2) – Voting restrictions under Listing Rules

Bye-law 76(2) will be added pursuant to the revised Listing Rules so that where any shareholder is subject to voting restrictions under the Listing Rules, any votes cast by or on behalf of such shareholder in contravention of such restriction shall not be counted.

Bye-law 88 – Appointment of Directors

Bye-law 88 will be amended to specify the lodgement period of the nomination of directors by shareholders, which will commence no earlier than the day after the dispatch of the notice of the meeting appointed for such election and end no later than seven days prior to the date of such meeting.

Bye-law 103(1), (2), (3) and (4) – Director's interests

Bye-law 103(1), (2), (3) and (4) will be amended to provide that Directors shall not vote for transactions in which they or their associates have a material interest. The new interpretation of "associate(s)" under the revised Listing Rules will also be adopted. Bye-law 103(1) will also be amended so that a Director's vote shall not be counted in the quorum present at a meeting at which any contract or arrangement in which he or his associate(s) is materially interested is considered. Bye-law 103(4) will be added to provide resolutions when questions relating to material interest of a Director or his associate(s) arise.

Bye-laws 153, 153A and 153B – Summarized financial statements

Bye-law 153 will be amended and 153A and 153B will be added to permit the Company to deliver a summarized financial statements in accordance with the Bye-laws, the Companies Act 1981 of Bermuda and all applicable rules and regulations.

Bye-laws 160, 161 and 163 – Electronic communication

Bye-laws 160, 161 and 163 will be amended to permit the Company to serve notice or documents, either in the English language or the Chinese language, to entitled persons personally, through the post or by means of electronic communication and to add provision for deemed services of such notice or document.

LETTER FROM THE CHAIRMAN

ANNUAL GENERAL MEETING

A notice of the Annual General Meeting is set out on pages 10 to 21 of this circular. At the Annual General Meeting, in addition to the ordinary business of the meeting including the re-election of Directors as described below, resolutions will be proposed to approve the general mandates for issue of new shares by the Company and for the repurchase by the Company of its own shares and the amendments to the Bye-laws respectively.

RE-ELECTION OF DIRECTORS

Pursuant to Bye-law 87, Ms. Chu Maria Teresa and Mr. Chan Chi Keung, Chris shall retire by rotation and, being eligible, offer themselves for re-election at the Annual General Meeting. Their details are set out below:

Ms. CHU Maria Teresa, aged 42, is a Director and the General Manager of the Group. Ms. Chu was appointed as a Director in March 1996 and is currently responsible for the management and development of the Group's China Trade Division and for marketing, advertising and sales promotion of the Group. Ms. Chu holds a bachelor of Arts Degree from California State University, Haywood, majoring in Economics and is the daughter of the Chairman of the Group.

Mr. CHAN Chi Keung, Chris, aged 55, was the former Managing Director and Chief Executive of Industrial & Commercial Bank of China (Asia) Limited, the former Non-executive Director of Industrial & Commercial Bank of China (Asia) Limited and the Risk Management Advisor of Industrial and Commercial Bank of China, Head Office. Mr. Chan is currently the General Manager and Head of Greater China Business of Sumitomo Mitsui Banking Corporation Hong Kong. He holds an Honours Bachelor's Degree in Arts from the University of Hong Kong and a Master Degree in Business Administration from Oklahmoa City University, USA. He is an associate of the Chartered Institute of Bankers (London) with over 30 years of working experience in retail, commercial and investment banking areas.

A form of proxy for the Annual General Meeting is enclosed herewith. If you do not intend to be present at the Annual General Meeting, you are requested to complete the form of proxy and return it to the Company's principal office in Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time fixed for the holding the Annual General Meeting or any adjourned meeting. Completion and delivery of the form of proxy will not prevent Shareholders from attending and voting at the meeting if they so wish.

Pursuant to Bye-law 66, resolutions put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result on a show of hands or on the withdrawal of any other demand for a poll) demanded by the Chairman or by:

- (a) at least 3 Shareholders presents in person (or in the case of a Shareholder being a corporation by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (b) a Shareholder or Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all the Shareholders having the right to vote at the meeting; or

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- (c) a Shareholder or Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorised representative) or by proxy and holding shares in the Company conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

The English text of this circular and the accompanying proxy form shall prevail over the Chinese text in case of inconsistency.

RECOMMENDATION

The Directors are of opinion that the granting of the General Mandate and Repurchase Mandate, the proposed amendments to the Bye-laws and the re-election of the two retiring Directors are in the best interests of the Company and the Shareholders and accordingly recommend that you vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

Yours faithfully,
For and on behalf of the Board
Chu Ka Lok, Peter
Chairman and President

SHARE CAPITAL

With effect on and from 28 January 2003, every 20 issued and unissued shares of HK\$0.01 each in the share capital of the Company have been consolidated into one share of HK\$0.20 each.

It is proposed that up to 10 per cent of the shares of HK\$0.20 each of the Company (“Shares”) in issue at the date of passing the resolution to approve the Repurchase Mandate may be repurchased. As at 23 July, 2004 (the latest practicable date for determining such figure), the number of Shares in issue was 194,165,900. On the basis of such figure (assuming no further Shares are issued or repurchased after 23 July, 2004 and up to the date of passing such resolution), the Directors would be authorised to repurchase Shares up to a limit of 19,416,590 Shares.

REASONS FOR REPURCHASES

The Directors believe that the ability to repurchase Shares is in the best interests of the Company and the Shareholders. Repurchases of Shares may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value and/or earnings per Share. The Directors are seeking the grant of the Repurchase Mandate to repurchase Shares to give the Company the flexibility to do so if and when appropriate. The number(s) of Shares to be repurchased, the price and other terms upon which the same are repurchased, and whether Shares are to be repurchased on any occasion will be decided by the Directors at the relevant time having regard to the factors and circumstances then pertaining. Repurchase Mandate will only be exercised if it is in the best interests of the Company and Shareholders.

SOURCE OF FUNDS

It is envisaged that the funds required for any repurchase would be obtained from the capital paid up on the Shares being repurchased or out of the funds of the Company which would otherwise be available for dividend or distribution or out of the proceeds of a fresh issue of shares made for the purposes of the repurchase, and in the case of any premium payable on such repurchase, funds of the Company which would otherwise be available for dividend or distribution or out of the Company’s share premium account before the repurchase, being funds legally available for this purpose in accordance with the Companies Act 1981 of Bermuda and the Bye-laws of the Company.

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 accounts contained in the Annual Report for the year ended 31 March, 2004) if the Repurchase Mandate were to be exercised in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

MARKET PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange from the previous twelve months up to and including 23 July, 2004 (the latest practicable date prior to the printing of this circular) were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
July 2003	0.295	0.210
August 2003	0.285	0.225
September 2003	0.350	0.250
October 2003	0.310	0.270
November 2003	0.320	0.265
December 2003	0.300	0.260
January 2004	0.330	0.250
February 2004	0.425	0.300
March 2004	0.435	0.305
April 2004	0.405	0.285
May 2004	0.350	0.300
June 2004	0.335	0.220
July 2004 (up to and including 23 July, 2004)	0.350	0.280

DISCLOSURE OF INTERESTS

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the proposed resolution in accordance with the Listing Rules and the applicable law of Bermuda.

None of the Directors, to the best of their knowledge having made all reasonable enquiries, nor any of their associates, presently intend to sell Shares to the Company under the Repurchase Mandate in the event that the Repurchase Mandate is approved by Shareholders and exercised.

No other connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell any Shares to the Company, or have undertaken not to do so, in the event that the Repurchase Mandate is approved by Shareholders and exercised.

If as a result of a share repurchase, a Shareholder's proportionate interest in the voting rights of the Company will increase, such increase will be treated as an acquisition for the purpose of the Hong Kong Code on Takeovers and Mergers (the "Takeovers Code"). As a result, a Shareholder or group of Shareholders acting in concert, could obtain or consolidate control of the Company and may become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at 23 July, 2004 (the latest practicable date prior to the printing of this circular), the interests of the Directors and their associates in the share capital of the Company recorded in the register required to be kept by the Company under Section 352 of the Securities and Futures Ordinance (Cap. 571) (“SFO”) were as follows:

(a) Shares

Name of director	Number of Shares of HK\$0.20 each		Percentage of holding
	Personal interests	Other interests	
Mr. Chu Ka Lok, Peter	3,367,000	118,260,000 (Note 1) 764,000 (Note 2)	63.03%
Mr. Wat Hon Keung	933,000	–	0.48%
Mr. Chan Kai Kwok	935,500	–	0.48%
Ms. Chu Maria Teresa	4,000,000	–	2.06%

Note 1. These shares were held by Charmwood Development Limited. The entire issued share capital of Charmwood Development Limited is held by the trustee of a discretionary trust set up in June 1996 in which Mr. Chu Ka Lok, Peter is included as a beneficiary. He therefore has “Other interests” in such number of shares as described in Practice Note 5 to the Rules Governing the Listing of Securities on the Stock Exchange.

Note 2. These shares were held by Napson Trading Limited, a company incorporated in Hong Kong, which is wholly and beneficially owned by Charmwood Development Limited. The entire issued share capital of Charmwood Development Limited is held by the trustee of a discretionary trust in which Mr. Chu Ka Lok, Peter is included as a beneficiary. He therefore has “Other interests” in such number of shares as described in Practice Note 5 to the Rules Governing the Listing of Securities on the Stock Exchange.

(b) Options

As at 23 July, 2004, the Directors had personal interests in share options to subscribe for Shares in the Company at an exercise price of HK\$0.5504 and HK\$0.792 per Share granted on 17 April, 2001 and 17 December, 2001 respectively, exercisable within a ten year period from the date of the grant, as follows:

Name of director	Number of Shares in options		
	Granted on 17 April, 2001	Granted on 17 December, 2001	Outstanding at 23 July, 2004
Mr. Chu Ka Lok, Peter	4,500,000	–	1,500,000
Ms. Chu Maria Teresa	3,000,000		1,500,000
		100,000	100,000
Mr. Chan Kai Kwok	–	500,000	500,000
Mr. Wat Hon Keung	–	500,000	500,000

Note: Number of shares in options has been adjusted for the effect of the consolidation of shares made by the Company on 28 January, 2003.

The above Directors were holding a total of 66.06% of the issued share capital of the Company.

Save as disclosed above, none of the Directors, chief executives or their associates had any personal, family, corporate or other interests in the equity or debt securities of the Company as recorded in the register required to be kept under Section 352 of the SFO.

As at 23 July, 2004, according to the register kept under Section 336 of the SFO, the shareholders who had an interest in 5% or more of the issued share capital of the Company was Charmwood Development Limited which held 118,260,000 Shares which represent 60.91% of the issued share capital of the Company. The interests have also been disclosed as an interest of Mr. Chu Ka Lok, Peter in the directors' interests in Shares of the Company above, i.e. 121,627,000 Shares, representing 62.64% of the issued share capital of the Company.

Save as disclosed above, no person had registered an interest in the share capital of the Company that was required to be recorded under Section 336 of the SFO.

Assuming the Directors exercise the power to repurchase Shares in full pursuant to the Repurchase Mandate, the percentage of holding in Shares by Mr. Chu Ka Lok, Peter will be increased to 70.04% (including the percentage of holding in Shares by Charmwood Development Limited which will be increased to 67.67% of the issued share capital of the Company) while for the above Directors together will be increased to 73.40%. The Directors are not aware of any other consequences which may arise under the Takeovers Code as a result of any repurchase of Shares made under the Repurchase Mandate.

SHARE REPURCHASES MADE BY THE COMPANY

The Company has not repurchased any Shares (whether on the Stock Exchange or otherwise) during the six months preceding 23 July, 2004 (the latest practicable date prior to the printing of this circular).

NOTICE OF ANNUAL GENERAL MEETING



ALPHA GENERAL (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 73)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Alpha General (Holdings) Limited (the “Company”) will be held at Aberdeen, Level 3, JW Marriott Hotel, Pacific Place, 88 Queensway, Hong Kong on 30 August, 2004 (Monday) at 10:00 a.m. for the following purposes:

1. To adopt the Audited Financial Statements together with the Report of the Directors and the Report of the Auditors for the year ended 31 March, 2004.
2. (a) To re-elect the following retiring Directors as Directors:
 - (i) Ms. Chu Maria Teresa
 - (ii) Mr. Chan Chi Keung, Chris
- (b) To authorise Directors to appoint any person as a Director either to fill a casual vacancy or as an addition to the existing Board of Directors.
3. To approve and fix Directors’ fee.
4. To re-appoint Auditors and authorise the Directors to fix their remuneration.
5. As special business to consider and, if thought fit, pass the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

A. **“THAT:**

- (a) subject to paragraph (c) of this Resolution, the exercise by the directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to allot and issue or grant shares in the capital of the Company or securities convertible into such shares, or options, warrants or similar rights to subscribe for any shares or such convertible securities, and to make or grant offers, agreements or options which would or might require the exercise of such powers, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this Resolution shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements or options which would or might require the exercise of such powers after the end of the Relevant Period;

NOTICE OF ANNUAL GENERAL MEETING

(c) the aggregate number of shares 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 given in paragraph (a) of this Resolution, otherwise than pursuant to any offer of any class of securities of the Company made pro rata (apart from fractional entitlements) by the Company to holders of such class of securities (excluding for that purpose any holder who is resident in a place where such offer is not permitted under the law of that place) or on the exercise of the subscription rights under any warrants to subscribe for shares of the Company or any share option scheme adopted by the Company or an issue of shares of the Company in lieu of the whole or part of the dividend on shares of the Company in accordance with the Company's Bye-laws, shall not exceed 20 per cent of the existing issued share capital of the Company at the date of passing this Resolution; and

(d) for the purposes of this Resolution:

“Relevant Period” means the period from 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 law or the Company's Bye-laws to be held;
or
- (iii) the date upon which the authority set out in this Resolution is revoked or varied by way of ordinary resolution in general meeting of the Company.”

B. **“THAT:**

- (a) subject to paragraph (b) of this Resolution, the exercise by the directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to repurchase shares in the capital of the Company on The Stock Exchange of Hong Kong Limited or on any other stock exchange on which securities of the Company may be listed and which is recognised by the Securities and Futures Commission of Hong Kong and The Stock Exchange of Hong Kong Limited for this purpose, subject to and in accordance with all applicable laws, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate number of shares to be purchased or agreed conditionally or unconditionally to be purchased by the directors of the Company pursuant to the approval in paragraph (a) of this Resolution during the Relevant Period shall not exceed 10 per cent of the issued share capital of the Company at the date of passing this Resolution and the said approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

(c) for the purpose of this Resolution:

“Relevant Period” means the period from 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 law or the Company’s Bye-laws to be held;
or
- (iii) the date upon which the authority set out in this Resolution is revoked or varied by way of ordinary resolution in general meeting of the Company.”

C. “**THAT** the aggregate number of shares in the capital of the Company which shall have been repurchased by the Company subsequent and pursuant to the passing of Ordinary Resolution B (up to a maximum of 10 per cent of the issued shares at the date of passing Ordinary Resolution B) shall be added to the aggregate number of shares that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to Ordinary Resolution A above.”

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

SPECIAL RESOLUTION

“**THAT** the existing bye-laws of the Company (the “Bye-laws”) be and are hereby amended by:

(a) inserting the following new definition of “associate” after the definitions of “Act” in Bye-law 1:

““associate” the meaning attributed to it in the rules of the Designated Stock Exchange.”;

(b) deleting from the definition of “clearing house” in Bye-law 1, the words “a recognised clearing house within the meaning of Section 2 of the Securities and Futures (Clearing Houses) Ordinance of Hong Kong or”;

(c) substituting the existing Bye-law 2(e) with the following new Bye-law 2(e):

“(e) expressions referring to writing shall, unless the contrary intention appears, be construed as including printing, lithography, photography and other modes of representing words or figures in a visible form, and including where the representation takes the form of electronic display, provided that both the mode of service of the relevant document or notice and the Member’s election comply with all applicable Statutes, rules and regulations;”;

NOTICE OF ANNUAL GENERAL MEETING

(d) inserting the word “clear” after the words “not less than fourteen (14)” in the existing Bye-law 2(i);

(e) replacing the full stop “.” appearing at the end of Bye-law 2(j) with a semi-colon “;”, by inserting the word “and” immediately after the semi-colon and by inserting the following new Bye-law 2(k) after Bye-law 2(j):

“(k) references to a document being executed include references to it being executed under hand or under seal or by electronic signature or by any other method and references to a notice or document include a notice or document recorded or stored in any digital, electronic, electrical, magnetic or other retrievable form or medium and information in visible form whether having physical substance or not.”;

(f) substituting the existing Bye-law 6 with the following new Bye-law 6:

“6. The Company may from time to time by special resolution, subject to any confirmation or consent required by law, reduce its authorised or issued share capital or, save for the use of share premium as expressly permitted by the Act, any share premium account or other undistributable reserve.”;

(g) substituting the existing Bye-law 9 with the following new Bye-law 9:

“9. Subject to Sections 42 and 43 of the Act, these Bye-laws, and to any special rights conferred on the holders of any shares or attaching to any class of shares, any preference shares may be issued or converted into shares that, at a determinable date or at the option of the Company or the holder if so authorised by its memorandum of association, are liable to be redeemed on such terms and in such manner as the Company before the issue or conversion may by ordinary resolution of the Members determine. Where the Company purchases for redemption a redeemable share, purchases not made through the market or by tender shall be limited to a maximum price as may from time to time be determined by the Company in general meeting, either generally or with regard to specific purchases. If purchases are by tender, tenders shall be available to all Members alike.”;

(h) substituting in Bye-law 12(1), the words “Subject to the Act, and these Bye-laws” with the following words:

“Subject to the Act, these Bye-laws, any direction that may be given by the Company in general meeting”;

(i) inserting the words “, in respect of any shares that are not fully paid,” after the words “held by him and” in the existing Bye-law 43(1)(a);

(j) inserting, in Bye-law 44, after the words “any other newspapers in accordance with the requirements of any Designated Stock Exchange”, the following words:

“or by any means and in such manner as may be accepted by the Designated Stock Exchange”;

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- (k) inserting, in Bye-law 46, after the words “Subject to these Bye-laws, any Member may transfer all or any of his shares by an instrument of transfer in the usual or common form”, the following words:

“or in a form prescribed by the Designated Stock Exchange”;

- (l) inserting, in Bye-law 51, after the words “by advertisement in an appointed newspaper and, where applicable, any other newspapers in accordance with the requirements of any Designated Stock Exchange”, the following words:

“or by any means and in such manner as may be accepted by the Designated Stock Exchange”;

- (m) substituting the existing Bye-law 66 with the following new Bye-law 66:

“66. Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Bye-laws, at any general meeting on a show of hands every Member present in person (or being a corporation, is present by a representative duly authorised under Section 78 of the Act), or by proxy shall have one vote and on a poll every Member present in person or by proxy or, in the case of a Member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share. Notwithstanding anything contained in these Bye-laws, where more than one proxy is appointed by a Member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. A resolution put to the vote of a meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (a) by the chairman of such meeting; or
- (b) by at least three Members present in person (or in the case of a Member being a corporation by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (c) by a Member or Members present in person (or in the case of a Member being a corporation by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all Members having the right to vote at the meeting; or
- (d) by a Member or Members present in person (or in the case of a Member being a corporation by its duly authorised representative) or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

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A demand by a person as proxy for a Member or in the case of a Member being a corporation by its duly authorised representative shall be deemed to be the same as a demand by a Member.”;

- (n) renumbering the existing Bye-law 76 as Bye-law 76(1) and by inserting the following new Bye-law 76(2):

“(2) Where the Company has knowledge that any Member is, under the rules of the Designated Stock Exchange, required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such Member in contravention of such requirement or restriction shall not be counted.”;

- (o) substituting the existing Bye-law 84(2) with the following new Bye-law 84(2):

“(2) Where a Member is a clearing house (or its nominee(s) and, in each case, being a corporation), it may authorise such persons as it thinks fit to act as its representatives at any meeting of the Company or at any meeting of any class of Members provided that the authorisation shall specify the number and class of shares in respect of which each such representative is so authorised. Each person so authorised under the provisions of this Bye-law shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by the clearing house (or its nominee(s)) in respect of the number and class of shares specified in the relevant authorisation including the right to vote individually on a show of hands.”;

- (p) substituting the words “Subject to any provision to the contrary in these Bye-laws the” appearing at the beginning of Bye-law 86(4) with the word “The”;

- (q) substituting the words “special resolution” with the words “ordinary resolution” appearing in Bye-law 86(4);

- (r) substituting the existing Bye-law 88 with the following new Bye-law 88:

“88. No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a Notice signed by a Member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a Notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office or at the Registration Office provided that the minimum length of the period, during which such Notice(s) are given, shall be at least seven (7) days and that the period for lodgement of such Notice(s) shall commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.”;

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(s) deleting the words “whereupon the Board resolves to accept such resignation” at the end of Bye-law 89(1);

(t) substituting the existing Bye-law 103 with the following new Bye-law 103:

“103. (1) A Director shall not vote (nor be counted in the quorum) on any resolution of the Board approving any contract or arrangement or any other proposal in which he or any of his associates is materially interested, but this prohibition shall not apply to any of the following matters namely:

- (i) any contract or arrangement for the giving to such Director or his associate(s) any security or indemnity in respect of money lent by him or any of his associates or obligations incurred or undertaken by him or any of his associates at the request of or for the benefit of the Company or any of its subsidiaries;
- (ii) any contract or arrangement for 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 the Director or his associate(s) has himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (iii) any contract or arrangement 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;
- (iv) any contract or arrangement 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;
- (v) any contract or arrangement 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 a shareholder or in which the Director and any of his associate(s) are not in aggregate beneficially interested in five (5) per cent. or more of the issued shares or of the voting rights of any class of shares of such company (or of any third company through which his interest or that of any of his associates is derived); or

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- (vi) any proposal or arrangement concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death or disability benefits scheme or other arrangement which relates both to directors, his associates and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director, or his associate(s), as such any privilege or advantage not accorded generally to the class of persons to which such scheme or fund relates.
- (2) A company shall be deemed to be a company in which a Director and/or his associate(s) owns five (5) per cent. or more if and so long as (but only if and so long as) he and/or his associates, (either directly or indirectly) are the holders of or beneficially interested in five (5) per cent. or more of any class of the equity share capital of such company or of the voting rights available to members of such company (or of any third company through which his interest or that of any of his associates is derived). For the purpose of this paragraph there shall be disregarded any shares held by a Director or his associate(s) as bare or custodian trustee and in which he or any of them has no beneficial interest, any shares comprised in a trust in which the interest of the Director or his associate(s) is/are in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust scheme in which the Director or his associate(s) is/are interested only as a unit holder.
- (3) Where a company in which a Director and/or his associate(s) holds five (5) per cent. or more is/are materially interested in a transaction, then that Director and/or his associate(s) shall also be deemed materially interested in such transaction.
- (4) If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the chairman of the meeting) or as to the entitlement of any Director (other than such chairman) to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director concerned as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the chairman of the meeting such question shall be decided by a resolution of the Board (for which purpose such chairman shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman as known to such chairman has not been fairly disclosed to the Board.”;
- (u) inserting the word “, electronic” after the words “by means of a conference telephone” in the existing Bye-law 116(2);

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- (v) substituting the existing Bye-law 122 with the following new Bye-law 122:
- “122. A resolution in writing signed by all the Directors except such as are temporarily unable to act through ill-health or disability, and all the alternate Director, if appropriate, whose appointors are temporarily unable to act as aforesaid shall be valid and effectual as if a resolution had been passed at a meeting of the Board duly convened and held provided that such number is sufficient to constitute a quorum and that a copy of such resolution has been given or the contents thereof communicated to all the Directors for the time being entitled to receive notices of Board meetings in the same manner as notices of meetings are required to be given by these Bye-laws and further provided that no Director is aware of or has received any objection to the resolution from any Director. Such resolution may be contained in one document or in several documents in like form each signed by one or more of the Directors or alternate Directors and for this purpose a facsimile signature of a Director or an alternate Director shall be treated as valid.”;
- (w) substituting the existing Bye-law 133(1)(c) with the following new Bye-law 133(1)(c):
- “(c) of all resolutions and proceedings of each general meeting of the Members and meetings of the Board.”;
- (x) re-numbering the existing Bye-law 136 as Bye-law 136(1);
- (y) inserting the following new Bye-law 136(2) after Bye-law 136(1):
- “(2) Notwithstanding any provision contained in these Bye-laws, the Directors may, if permitted by applicable law, authorise the destruction of documents set out in sub-paragraphs (a) to (e) of paragraph (1) of this Bye-law and any other documents in relation to share registration which have been microfilmed or electronically stored by the Company or by the share registrar on its behalf provided always that this Bye-law shall apply only to the destruction of a document in good faith and without express notice to the Company and its share registrar that the preservation of such document was relevant to a claim.”;
- (z) inserting in Bye-law 153 after the words “Subject to Section 88 of the Act”, the following words:
- “and Bye-law 153A”;
- (aa) inserting the following new Bye-laws 153A and 153B after Bye-law 153:
- 153A. To the extent permitted by and subject to due compliance with all applicable Statutes, rules and regulations, including, without limitation, the rules of the Designated Stock Exchange, and to obtaining all necessary consents, if any, required thereunder, the requirements of Bye-law 153 shall be deemed satisfied in relation to any person by sending to the person in any manner not prohibited

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by the Statutes, a summary financial statement derived from the Company's annual accounts and the directors' report which shall be in the form and containing the information required by applicable laws and regulations, provided that any person who is otherwise entitled to the annual financial statements of the Company and the directors' report thereon may, if he so requires by notice in writing served on the Company, demand that the Company sends to him, in addition to a summary financial statement, a complete printed copy of the Company's annual financial statement and the directors' report thereon.

153B. The requirement to send to a person referred to in Bye-law 153 the documents referred to in that provision or a summary financial report in accordance with Bye-law 153A shall be deemed satisfied where, in accordance with all applicable Statutes, rules and regulations, including, without limitation, the rules of the Designated Stock Exchange, the Company publishes copies of the documents referred to in Bye-law 153 and, if applicable, a summary financial report complying with Bye-law 153A, on the Company's computer network or in any other permitted manner (including by sending any form of electronic communication), and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company's obligation to send to him a copy of such documents.”;

(ab) substituting the words “fourteen (14)” with the words “twenty-one (21)” in the fourth line of Bye-law 154(2);

(ac) substituting the existing Bye-law 157 with the following new Bye-law 157:

“157 If the office of auditor becomes vacant by the resignation or death of the Auditor, or by his becoming incapable of acting by reason of illness or other disability at a time when his services are required, the Directors shall fill the vacancy and fix the remuneration of the Auditor so appointed.”;

(ad) substituting the existing Bye-law 160 with the following new Bye-law 160:

“160. Any Notice or document (including any “corporate communication” within the meaning ascribed thereto under the rules of the Designated Stock Exchange), whether or not, to be given or issued under these Bye-laws from the Company to a Member shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or communication and any such Notice and (where appropriate) any other document may be served or delivered by the Company on or to any Member either personally or by sending it through the post in a prepaid envelope addressed to such Member at his registered address as appearing in the Register or at any other address supplied by him to the Company for the purpose or, as the case may be, by transmitting it to any such address or transmitting it to any telex or facsimile transmission number or electronic number or address or website supplied by him to the Company for the giving of Notice to him or which the person transmitting the notice reasonably and bona fide believes at the relevant time will result in the

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Notice being duly received by the Member or may also be served by advertisement in appointed newspapers (as defined in the Act) or in newspapers published daily and circulating generally in the territory of and in accordance with the requirements of the Designated Stock Exchange or, to the extent permitted by the applicable laws, by placing it on the Company's website or the website of the Designated Stock Exchange, and giving to the Member a notice stating that the notice or other document is available there (a "notice of availability"). The notice of availability may be given to the Member by any of the means set out above. In the case of joint holders of a share all notices shall be given to that one of the joint holders whose name stands first in the Register and notice so given shall be deemed a sufficient service on or delivery to all the joint holders.";

(ae) substituting the existing Bye-law 161 with the following new Bye-law 161:

"161. Any Notice or other document:

- (a) if served or delivered by post, shall where appropriate be sent by airmail and shall be deemed to have been served or delivered on the day following that on which the envelope containing the same, properly prepaid and addressed, is put into the post; in proving such service or delivery it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly addressed and put into the post and a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board that the envelope or wrapper containing the notice or other document was so addressed and put into the post shall be conclusive evidence thereof;
- (b) if sent by electronic communication, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent. A notice placed on the Company's website or the website of the Designated Stock Exchange, is deemed given by the Company to a Member on the day following that on which a notice of availability is deemed served on the Member;
- (c) if served or delivered in any other manner contemplated by these Bye-laws, shall be deemed to have been served or delivered at the time of personal service or delivery or, as the case may be, at the time of the relevant dispatch, transmission or publication; and in proving such service or delivery a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board as to the fact and time of such service, delivery, dispatch, transmission or publication shall be conclusive evidence thereof; and
- (d) may be given to a Member either in the English language or the Chinese language, subject to due compliance with all applicable Statutes, rules and regulations.";

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(af) inserting the words “or electronic” after the words “a cable or telex or facsimile” in the existing Bye-law 163;

and

THAT the directors of the Company be and are hereby authorised to take such further action as they may, in their absolute discretion, think fit for and on behalf of the Company to implement the aforesaid amendments to the existing Bye-laws.”

By Order of the Board
Tang Chi Chuen
Company Secretary

Hong Kong, 29 July, 2004

Notes:

- (1) Any Member entitled to attend and vote at the Meeting 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, forms of proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney must be deposited at the Company’s principal office in Hong Kong as follows not less than 48 hours before the time fixed for holding the Meeting or at any adjournment thereof.
- (3) The Register of Members of the Company will be closed from 24 to 30 August, 2004, both days inclusive, during which period no transfer of shares will be effected. In order to be a member of the Company entitled to attend and vote at the annual general meeting, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Secretaries Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong for registration not later than 4:00 p.m. on Monday, 23 August, 2004.

Principal office of Hong Kong:
Room 1503, Dominion Centre,
43-59 Queen’s Road East,
Hong Kong