



JEWELLERY & PEARLS LIMITED

(Incorporated in the Cayman Islands with limited liability)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Egana Jewellery & Pearls Limited (the “Company”) will be held at Ching Room, 4/F., Sheraton Hong Kong Hotel & Towers, 20 Nathan Road, Kowloon, Hong Kong on 18th November, 2004 at 11:00 a.m. for the following purposes:—

1. To receive and consider the Financial Statements and the Reports of the Directors and Auditors for the year ended 31st May, 2004.
2. To declare a final dividend.
3. To re-elect Directors and to authorise the Directors to fix their remuneration.
4. To appoint Auditors for the ensuing year and to authorise the Directors to fix their remuneration.
5. To consider and, if thought fit, pass with or without amendments, the following resolutions as Ordinary Resolutions:—

(A) “**THAT:**—

- (a) subject to paragraph (c) of this Resolution and without prejudice to Resolution 5(C) set out in the Notice of this Meeting, the exercise by the Directors during the Relevant Period (as defined in paragraph (d) of this Resolution) of all the powers of the Company to issue, allot and deal in shares of HK\$0.50 each in the capital of the Company (the “Shares”) and to issue, allot or grant securities convertible into the Shares or options, warrants or similar rights to subscribe for any Shares in the Company or such convertible securities and to make or grant offers, agreements and 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 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 pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to:—

- (i) a Rights Issue (as defined in paragraph (d) of this Resolution);
- (ii) any scrip dividend scheme or similar arrangements implemented in accordance with the Articles of Association of the Company as amended from time to time; or
- (iii) an issue of the Shares under the share option scheme of the Company or any similar arrangements for the time being adopted by the Company for the grant or issue to employees or directors of the Company and/or any of its subsidiaries of the Shares or right to acquire the Shares;

shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this Resolution and the said approval shall be limited accordingly;

(d) for the purposes of this Resolution:—

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable law of the Cayman Islands as amended from time to time to be held; and
- (iii) the revocation or variation of this Resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of the Shares 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 may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory).”

(B) **“THAT:—**

(a) subject to paragraph (b) of this Resolution, the exercise by the Directors during the Relevant Period (as defined in Resolution 5(A)(d) set out in the Notice of this Meeting) of all the powers of the Company to repurchase the Shares on The Stock Exchange of Hong Kong Limited or on any other exchange on which the Shares may be listed and which is recognised by the Securities and Futures Commission and The Stock Exchange of Hong Kong Limited (the “Recognised Stock Exchange”), subject to and in accordance with all applicable laws, and in accordance with the provisions of, and in the manner specified in, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or the rules of any other Recognised Stock Exchange, be and is hereby generally and unconditionally approved; and

(b) the aggregate nominal amount of the Shares to be repurchased or agreed conditionally or unconditionally to be repurchased by the Company pursuant to the approval in paragraph (a) of this Resolution during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this Resolution and the said approval shall be limited accordingly.”

(C) **“THAT** subject to the passing of Resolutions 5(A) and 5(B) set out in the Notice of this Meeting, the aggregate nominal amount of share capital of the Company that may be allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to and in accordance with the approval given in Resolution 5(A) set out in the Notice of this Meeting be and is hereby increased and extended by the addition of the aggregate nominal amount of the Shares which may be repurchased by the Company pursuant to and in accordance with the approval given in Resolution 5(B) set out in the Notice of this Meeting provided that such amount shall not exceed the aggregate nominal amount of the Shares repurchased pursuant to the said Resolution 5(B) and the said approval shall be limited accordingly.”

6. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as a Special Resolution:—

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

(A) By adding the following new definitions and references, within appropriate alphabetic order, to Article 2:

“associate “associate” shall have the meaning ascribed to it under the Listing Rules;”

- (B) By deleting the existing definitions and replacing by the following new definitions, within appropriate alphabetic order, to Article 2:

“subsidiary and holding company” shall have the meaning attributed to such terms in the Companies Ordinance as in force from time to time, but the term “subsidiary” shall include with the definition of “subsidiary” under Rule 1.01 of the Listing Rules;

writing/ printing “writing/printing” 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 without limitation where the representation takes the form of electronic display, provided that both the mode of service of the relevant document or notice and any requisite members’ election comply with any applicable laws, rules and/or regulations;”

- (C) By deleting the words “5,000,000,000” and “HK\$0.05” in the third line of Article 3 and replacing them by the words “500,000,000” and “HK\$0.50”.

- (D) By adding the following Article 89(c) immediately after Article 89(b):

“89(c)Notwithstanding the generality of the foregoing, where any member is, under the Listing Rules, required to abstain from voting for or against any particular resolution or restricted to voting for or against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.”

- (E) By deleting the existing Article 107(c)(i) to (v) and replacing by the following new Article 107(c)(i) to (v):

“107(c)Save as otherwise provided by the Articles, a Director shall not be entitled to vote (nor be counted in the quorum) on any resolution of the Board in respect of any contract or arrangement or any other proposal in which he or any of his associate(s) is/are to his knowledge materially interested 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 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 responsibility in whole or in part 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, directly or indirectly, whether as an officer or executive or shareholder or in which the Director or his associate(s) is/are beneficially interested in the shares of that company, provided that he and any of his associates are not in aggregate beneficially interested in 5% 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(s) is derived) or of the voting rights;
- (iv) any proposal or arrangement concerning the benefit of employees of the Company or any of its subsidiaries including:
 - (aa) the adoption, modification or operation of any employees' share scheme or any share incentive scheme 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 both to the Directors or his associates 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.
- (v) 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.”

(F) By deleting the existing Article 107(e) and replacing by the following new Article 107(e):

“107(e) If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director or his associate(s) (other than the Chairman of the meeting) or as to the entitlement of any Director (other than such chairman) to vote or be counted in the quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, such question shall be referred to the Chairman of the meeting and his ruling in relation to such other Director or his associate(s) shall be final and conclusive except in a case where the nature or extent of the interest of the Director or his associate(s) 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 the Chairman shall not be counted in the quorum and 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 the Chairman or any of his associate(s) as known to the Chairman has not been fairly disclosed to the Board.”

(G) By deleting the existing Article 107(f) in its entirety.

(H) By deleting the existing Article 120 in its entirety and replacing by the following new Article 120:

“120. No person other than a retiring Director shall, unless recommended by the Board, be eligible for election to the office of Director at any general meeting unless a notice in writing signed by a member of the Company (not being the person to be proposed) entitled to attend and vote at the meeting for which such notice is given of his intention to propose that person for election as a Director and notice in writing signed by that person to be proposed of his willingness to be elected shall have been lodged at the Company’s principal place of business in Hong Kong. The period for lodgment of the said notice under this Article shall commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than 7 days prior to the date of such meeting provided that the minimum length of the period will be at least 7 days.”

(I) By deleting the existing Article 163(b) in its entirety and substituting therefor the following:

“163(b)(i) Subject to paragraph (ii) below, a printed copy of those documents required to be laid before the members of the Company at an annual general meeting or a summary financial report shall, not less than 21 days before the date of the meeting, be delivered or sent by post to the registered address of every member and every other holder of its listed securities, or in the case of joint holders to the member or such holder (as the case may be) whose name stands first in the relevant register in respect of the relevant shares or listed securities. No accidental non-compliance with the provisions of this Article shall invalidate the proceedings at the meeting.

(ii) Where a member or holder of the Company’s listed securities has, in accordance with the Law and any rules prescribed by the Exchange from time to time, consented to treat the publication of the relevant financial documents and/or the summary financial report on the Company’s computer network as discharging the Company’s obligations under the Law to send a copy of the relevant financial documents or the summary financial report, then subject to compliance with the publication and notification requirements of the Law and any rules prescribed by the Exchange from time to time,

publication by the Company on the Company's computer network of the relevant financial documents and/or the summary financial report at least 21 days before the date of the meeting shall, in relation to each such member or holder of the Company's listed securities, be deemed to discharge the Company's obligations under paragraph (i) above.

(iii) For the purpose of this Article, "summary financial report" shall have the meaning ascribed to it under the Listing Rules."

(J) By deleting the existing marginal note to Article 163(b) and substituting therefor the following:

"Relevant financial documents or summary financial report to be delivered to members etc."

(K) By deleting the existing Article 167(a) in its entirety and substituting therefor the following:

"167(a) Any notice or document (including a share certificate and any "corporate communication" within the meaning ascribed thereto under the Listing Rules) to be given or issued under these Articles in writing may be served or delivered by the Company by any of the following means subject to and to such extent permitted by and in accordance with the Law, the Listing Rules and any applicable laws, rules and regulations:

- (i) personally; or
- (ii) by sending it through the post in a prepaid envelope or wrapper addressed to such member at his registered address as appearing in the register; or
- (iii) by advertisement published in the newspapers in accordance with the Listing Rules; or
- (iv) by transmitting it as an electronic communication to the person at such electronic address as he may have provided to the Company; or
- (v) by publishing it on a computer network.

In case of joint registered holders of any share or listed security, all notices shall be given to that holder whose name stands first in the register or such other register(s) (as the case may be) and notice so given shall be sufficient notice to all the joint holders."

(L) By deleting the existing Article 169 in its entirety and substituting therefor the following:

“169. Any notice or document (including a share certificate and any “corporate communication” within the meaning ascribed thereto in the Listing Rules) given or issued by or on behalf of the Company:

- (a) if sent by post, shall be deemed to have been served on the day following that on which the envelope or wrapper containing the same is put into a post office situated within Hong Kong and in proving such service it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly prepaid, addressed and put into such post office (by airmail if posted from Hong Kong to an address outside Hong Kong) and a certificate in writing signed by the Secretary or other person appointed by the Board that the envelope or wrapper containing the notice or document was so addressed and put into such post office shall be conclusive evidence thereof;
- (b) if not sent by post but delivered or left at a registered address or delivered personally by the Company, shall be deemed to have been served on the day it was so delivered or left and in proving such service or delivery, a certificate in writing signed by the Secretary or other person appointed by the Board as to the act and time of such service or delivery, shall be conclusive evidence thereof;
- (c) if by advertisement published in the newspapers, shall be deemed to have been served on the date on which it is published in the newspapers;
- (d) if sent as an electronic communication, shall be deemed to have been served at the time when the notice or document is transmitted electronically provided that no notification that the electronic communication has not reached its recipient has been received by the sender, except that any failure in transmission beyond the sender’s control shall not invalidate the effectiveness of the notice or document being served; and
- (e) if published on the Company’s computer network, shall be deemed to have been served on the day on which the notice or document is published on the Company’s computer network to which the entitled person may have access.”

(M) By deleting the existing Articles 171 to 173 (inclusive) in their entirety and substituting therefor the following:

“171. Any person who by operation of law, transfer or other means whatsoever shall become entitled to any share or listed security shall be bound by every notice in respect of such share or listed security which prior to his name and address being entered on the relevant register shall have been duly given to the person from whom he derives his title to such share or listed security.

172. Any notice or document served in accordance with Article 167(a) shall, in respect of any member or holder of listed security who is deceased, be deemed to have been duly served on his legal personal representatives and all persons (if any) jointly interested with him in any such shares or listed securities, whether or not the Company has notice of his death.

173. The signature to any notice or document by the Company may be written, typed, printed or made electronically.”

By Order of the Board
Lillian Wong
Company Secretary

Hong Kong, 14th October, 2004

Notes:

1. Any member entitled to attend and vote may appoint one or more proxies to attend the meeting instead of him and to vote on a poll. A proxy need not be a member of the Company.
2. The instrument appointing a 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 authority shall be deposited at the principal place of business of the Company at Block C6, 12th Floor, Hong Kong Industrial Centre, 489-491 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong not less than 48 hours before the time for holding the meeting (or adjourned meeting, as the case may be).
3. The register of members of the Company will be closed from 12th November, 2004 to 16th November, 2004, both days inclusive, for the purpose of establishing entitlements of the shareholders of the Company to qualify for the proposed final dividend and attend the Company's Annual General Meeting. During such period, no transfer of the Shares can be registered.
4. A circular containing further details regarding Resolutions 5 and 6 above will be sent to the shareholders of the Company as soon as practicable.

As at the date of this announcement, the Board comprises Mr. Hans-Joerg SEEBERGER, Mr. Peter Ka Yue LEE, Mr. Michael Richard POIX, Mr. Shunji SAEKI, Mr. Hartmut VAN DER STRAETEN, Mr. Michael BOMMERS and Mr. Ho Yin CHIK as executive directors, Mr. David Wai Kwong WONG as non-executive director and Mr. Charles Cho Chiu SIN, Mr. Eduardo Tang Lung LAU and Professor Zhengfu WANG as independent non-executive directors.

Please also refer to the published version of this announcement in The Standard.