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

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

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SAINT HONORE HOLDINGS LIMITED

聖安娜控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 192)

**PROPOSALS FOR RE-ELECTION OF DIRECTORS,
GENERAL MANDATE TO ISSUE SHARES
AND AMENDMENT TO THE BYE-LAWS**

The notice of annual general meeting ("AGM") of Saint Honore Holdings Limited (the "Company") to be held at World Trade Centre Club Hong Kong, 38/F, World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong on 21 September 2006 at 3:30 p.m. is set out on pages 12 to 15 of this circular. Whether or not you are able to attend the AGM, please complete and return the enclosed form of proxy to the Company at its principal office at 5/F, Express Industrial Building, 43 Heung Yip Road, Wong Chuk Hang, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. The lodging of the form of proxy will not preclude you from attending the AGM and voting in person should you so wish.

28 July 2006

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context otherwise requires:

“AGM”	the annual general meeting of the Company to be held at World Trade Centre Club Hong Kong, 38/F, World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong on 21 September 2006 at 3:30 p.m., notice of which is set out on pages 12 to 15 of this circular or any adjournment thereof
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company in its present form
“Company”	Saint Honore Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HKCM”	Hong Kong Catering Management Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	21 July 2006, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“SFO”	the Securities and Futures Ordinance Chapter 571 of the Laws of Hong Kong
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

LETTER FROM THE BOARD



SAINT HONORE HOLDINGS LIMITED

聖安娜控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 192)

Executive Directors:

Mr. Chan Wai Cheung, Glenn (*Chairman*)
Mr. Shum Wing Hon (*Deputy Chairman*)
Mrs. Chan Wong Man Li, Carrina (*Managing Director*)
Mr. Chan Ka Shun, Raymond
Mr. Wong Chung Piu, Billy

Non-executive Directors:

Mr. Chan Ka Lai, Joseph
Mrs. Chan King Catherine

Independent Non-executive Directors:

Dr. Cheung Wai Lam, William
Dr. Ho Sai Wah, David
Mr. Bingley Wong

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Principal Office:

5/F
Express Industrial Building
43 Heung Yip Road
Wong Chuk Hang
Hong Kong

28 July 2006

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR RE-ELECTION OF DIRECTORS,
GENERAL MANDATE TO ISSUE SHARES
AND AMENDMENT TO THE BYE-LAWS**

I. INTRODUCTION

The purpose of this circular is to give you information regarding (i) the re-election of Directors; (ii) the general mandate to Directors to issue shares; and (iii) the amendment to the Bye-laws. This circular is to give the information reasonably necessary to enable Shareholders to make an informed decision on whether to vote for or against the resolutions at the AGM to be held on 21 September 2006 at 3:30 p.m..

LETTER FROM THE BOARD

II. RE-ELECTION OF DIRECTORS

Pursuant to Bye-law 87(1) of the Bye-laws, at each annual general meeting, one-third of the Directors for the time being, or, if their number is not 3 or a multiple of 3, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every 3 years. Bye-law 87(2) also provides that the retiring Directors shall be eligible for re-election. It further provides that the Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

Accordingly, Mr. Chan Wai Cheung, Glenn, Mr. Shum Wing Hon, Mrs. Chan Wong Man Li, Carrina, Mr. Chan Ka Shun, Raymond, Mr. Chan Kai Lai, Joseph and Mr. Bingley Wong shall retire as Directors by rotation at the AGM and, being eligible, offer themselves for re-election.

Details of the Directors proposed for re-election as required to be disclosed under the Listing Rules are set out in Appendix I to this circular.

III. GENERAL MANDATE TO ISSUE SHARES

At the annual general meeting of the Company held on 8 September 2005, ordinary resolution was passed to grant general mandate to the Directors to issue Shares. Such general mandate will lapse at the conclusion of the AGM.

Ordinary resolution will be proposed at the AGM to grant to the Directors the general mandate to allot, issue and deal with Shares not exceeding 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of passing such resolution (the "Issue Mandate").

The Issue Mandate will continue in force from the passing of the said resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the laws of Bermuda or the Bye-laws to be held; or
- (iii) the passing of an ordinary resolution by Shareholders in general meeting revoking or varying the authority given to the Directors by such resolution.

With reference to the resolution, the Board wishes to state that it has no immediate plans to issue any new Shares, whether for cash or otherwise, pursuant to the Issue Mandate.

LETTER FROM THE BOARD

IV. AMENDMENT TO THE BYE-LAWS

The Stock Exchange has recently amended Appendix 3 of the Listing Rules to specify that shareholders may remove any of the directors by an ordinary resolution. The amendment took effect on 1 March 2006. The proposed amendment to the Bye-laws is as follow:–

The Company may by ordinary resolution remove any Director before the expiration of his period of office.

Special resolutions to amend the Bye-laws which require not less than 75% of the votes cast by the Shareholders attending and entitled to vote at the AGM will be put forth as special business to be considered and approved by the Shareholders at the AGM.

V. AGM

A notice convening the AGM to be held on 21 September 2006 (Thursday), is set out on pages 12 to 15 of this circular. At the AGM, ordinary and special resolutions will be proposed to approve, inter alia, the re-election of Directors, the granting of the Issue Mandate and the amendment to the Bye-laws.

A form of proxy for use at the AGM is enclosed with this circular. Whether or not you are able to attend the AGM, please complete and return the form of proxy to the principal office of the Company 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 AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

VI. PROCEDURES BY WHICH A POLL MAY BE DEMANDED

At any general meeting 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 duly demanded. Pursuant to Bye-law 66 of the Bye-laws, a poll may be demanded by:

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

LETTER FROM THE BOARD

- (d) any Shareholder or Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorized 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; or
- (e) any Director or Directors who, individually or collectively, hold proxies in respect of shares representing 5 per cent or more of the total voting rights at such meeting.

VII. RECOMMENDATION

The Directors are of the opinion that the proposals referred to in this circular are in the best interests of the Company and the Shareholders and therefore recommend the Shareholders to vote in favour of the resolutions to be proposed at the AGM.

On Behalf of the Board
Chan Wai Cheung, Glenn
Chairman

The details of the Directors proposed for re-election at the AGM are set out below:

Mr. Chan Wai Cheung, Glenn

Mr. Chan Wai Cheung, Glenn, aged 72, worked for the Hong Kong Government for more than 10 years in the then Urban Services Department. In 1972, he left the public sector and joined a catering group in Hong Kong. Approximately 2 years later, he co-founded HKCM which obtained a listing status on the then The Hong Kong Stock Exchange Limited in 1990 and is the intermediate holding company of the Company. He is now the chairman of HKCM. Mr. Chan provides leadership to the Board and is responsible for overall strategic planning and corporate development of the Group. Saved as disclosed above, Mr. Chan did not hold any other directorship in other listed public companies in the last 3 years. Mr. Chan is the spouse of Mrs. Chan King Catherine and the father of Mr. Chan Ka Lai, Joseph and Mr. Chan Ka Shun, Raymond, all of them are directors of the Company. Mr. Chan is the director of the following subsidiaries within the Group:

<u>Name of subsidiaries</u>	<u>Name of subsidiaries</u>
Bliset Investment Limited	Kingdom Wise Limited
Bodega Limited	Saint Anna Cake Shop (Macau) Limited
Bread Boutique Limited	Saint Honore Cake Shop Limited
City Producers Limited	Saint Honore Cake Shop (Shenzhen) Limited
Easywin Limited	Saint Honore Cake Shop (Shenzhen) Investment Limited
Eltham Agents Limited	Silverwave Agents Limited
Everfit Agents Limited	Strong Glory Limited
Evergain Consultants Limited	Uni-Leptics Limited
Great Moment Investment Limited	夢工場美食(廣州)有限公司
Gold Tree Limited	

Pursuant to a service contract given by the Company to Mr. Chan, his renewed appointment has become effective from 1 June 2002. Mr. Chan's appointment is without a fixed term and terminable by either party with 6 months prior written notice as well as subject to rotation and re-election at the Company's annual general meeting in accordance with the Bye-laws. Under the service contract with the Company, Mr. Chan is entitled to receive an annual remuneration of HK\$1,240,000 plus the use of a company car as well as a discretionary bonus of no more than 3% of the annual consolidated profit after tax of the Group. His remuneration was determined by the Board with reference to his qualification and experience, responsibilities to be undertaken, and the prevailing market level of remuneration of similar position. As at the Latest Practicable Date, Mr. Chan has interested in 155,223,250 Shares within the meaning of part XV of the SFO.

Save as disclosed above, Mr. Chan confirmed that there is no other information that needs to be disclosed pursuant to any of the requirements as set out in Rule 13.51(2)(h)-(v) of the Listing Rules. The Company is not aware of any other matter that needs to be brought to the attention of the Shareholders and the Stock Exchange in relation to the re-election of Mr. Chan.

Mr. Shum Wing Hon

Mr. Shum Wing Hon, aged 64, is a founder of Saint Honore Cake Shop Limited ("Saint Honore") and possesses more than 40 years of experience in the bakery industry. Mr. Shum was appointed the deputy-chairman of the Company in July 2000. He has a direct responsibility over purchasing, production and project & maintenance function of the Group. He is also an executive director of HKCM. Saved as disclosed above, Mr. Shum did not hold any other directorship in other listed public companies in the last 3 years. Mr. Shum is the director of the following subsidiaries within the Group:

<u>Name of subsidiaries</u>	<u>Name of subsidiaries</u>
Bliset Investment Limited	Saint Honore Cake Shop Limited
City Producers Limited	Saint Honore Cake Shop (Shenzhen) Limited
Easywin Limited	Saint Honore Cake Shop (Shenzhen) Investment Limited
Eltham Agents Limited	Silverwave Agents Limited
Everfit Agents Limited	Strong Glory Limited
Evergain Consultants Limited	Uni-Leptics Limited
Great Moment Investment Limited	Zillion Will Limited
Green Rich Enterprise Limited	夢工場美食(廣州)有限公司
Kingdom Wise Limited	
Saint Anna Cake Shop (Macau) Limited	

Pursuant to a service contract given by the Company to Mr. Shum, his renewed appointment has become effective from 1 June 2002. Mr. Shum's appointment is without a fixed term and terminable by either party with 3 months prior written notice as well as subject to rotation and re-election at the Company's annual general meeting in accordance with the Bye-laws. Under the service contract with the Company, Mr. Shum is entitled to receive an annual remuneration of HK\$1,531,974 plus the use of a company car. His remuneration was determined by the Board with reference to his qualification and experience, responsibilities to be undertaken, and the prevailing market level of remuneration of similar position. Mr. Shum is not connected with any Director, senior management, substantial shareholder or controlling shareholder of the Company. As at the Latest Practicable Date, Mr. Shum do not have any interest in Shares within the meaning of part XV of the SFO.

Save as disclosed above, Mr. Shum confirmed that there is no other information that needs to be disclosed pursuant to any of the requirements as set out in Rule 13.51(2)(h)-(v) of the Listing Rules. The Company is not aware of any other matter that needs to be brought to the attention of the Shareholders and the Stock Exchange in relation to the re-election of Mr. Shum.

Mrs. Chan Wong Man Li, Carrina

Mrs. Chan Wong Man Li, Carrina, aged 43, holds a master degree in business administration jointly conferred by the J.L. Kellogg Graduate School of Management, Northwestern University in the United States and the Hong Kong University of Science and Technology. Mrs. Chan also holds a bachelor degree in administrative studies from the Trent University in Canada. Mrs. Chan joined Saint Honore in 1986 and is now the managing director of the Group. Mrs. Chan is responsible for policy making and corporate management so as to implement the strategies approved by the Board in addition to having a direct responsibility over the Sales and Marketing function of the Group and the Macau operation. Mrs. Chan did not hold any other directorship in other listed public companies in the last 3 years. Mrs. Chan is the director of the following subsidiaries within the Group:

<u>Name of subsidiaries</u>	<u>Name of subsidiaries</u>
Bliset Investment Limited	Saint Honore Cake Shop Limited
City Producers Limited	Saint Honore Cake Shop (Shenzhen) Limited
Easywin Limited	Saint Honore Cake Shop (Shenzhen) Investment Limited
Eltham Agents Limited	Silverwave Agents Limited
Everfit Agents Limited	Strong Glory Limited
Evergain Consultants Limited	Uni-Leptics Limited
Great Moment Investment Limited	Zillion Will Limited
Green Rich Enterprise Limited	夢工場美食(廣州)有限公司
Kingdom Wise Limited	
Saint Anna Cake Shop (Macau) Limited	

Pursuant to a service contract given by the Company to Mrs. Chan, her renewed appointment has become effective from 1 June 2002. Mrs. Chan's appointment is without a fixed term and terminable by either party with 6 months prior written notice as well as subject to rotation and re-election at the Company's annual general meeting in accordance with the Bye-laws. Under the service contract with the Company, Mrs. Chan is entitled to receive an annual remuneration of HK\$1,429,974 plus the use of a company car. Her remuneration was determined by the Board with reference to her qualification and experience, responsibilities to be undertaken, and the prevailing market level of remuneration of similar position. Mrs. Chan is not connected with any Director, senior management, substantial shareholder or controlling shareholder of the Company. As at the Latest Practicable Date, Mrs. Chan has interested in 206,000 Shares within the meaning of part XV of the SFO.

Save as disclosed above, Mrs. Chan confirmed that there is no other information that needs to be disclosed pursuant to any of the requirements as set out in Rule 13.51(2)(h)-(v) of the Listing Rules. The Company is not aware of any other matter that needs to be brought to the attention of the Shareholders and the Stock Exchange in relation to the re-election of Mrs. Chan.

Mr. Chan Ka Shun, Raymond

Mr. Chan Ka Shun, aged 42, Raymond obtained his master degree in business administration from the University of South Australia and a bachelor of science degree from the University of Denver in the United States. He joined Saint Honore in 1992 and was appointed a director of the Company in July 2000. He has a direct responsibility over the Group's logistics and quality assurance function plus serving as the management representative of the Group's ISO function as well. He is also the overall in-charge of operations in the PRC. Mr. Chan is the son of Mr. Chan Wai Cheung, Glenn and Mrs. Chan King Catherine as well as the brother of Mr. Chan Ka Lai, Joseph. Mr. Chan did not hold any other directorship in other listed public companies in the last 3 years. Mr. Chan is the director of the following subsidiaries within the Group:

<u>Name of subsidiaries</u>	<u>Name of subsidiaries</u>
Bliset Investment Limited	Saint Honore Cake Shop Limited
City Producers Limited	Saint Honore Cake Shop (Shenzhen) Limited
Eltham Agents Limited	Saint Honore Cake Shop (Shenzhen) Investment Limited
Everfit Agents Limited	Silverwave Agents Limited
Great Moment Investment Limited	Strong Glory Limited
Kingdom Wise Limited	Uni-Leptics Limited
Saint Anna Cake Shop (Macau) Limited	夢工場美食(廣州)有限公司

Pursuant to a service contract given by the Company to Mr. Chan, his renewed appointment has become effective from 1 September 2004. Mr. Chan's appointment is without a fixed term and terminable by either party with 3 months prior written notice as well as subject to rotation and re-election at the Company's annual general meeting in accordance with the Bye-laws. Under the service contract with the Company, Mr. Chan is entitled to receive an annual remuneration of HK\$1,002,320 plus the use of a company car. His remuneration was determined by the Board with reference to his qualification and experience, responsibilities to be undertaken, and the prevailing market level of remuneration of similar position. As at the Latest Practicable Date, Mr. Chan has interested in 155,385,750 Shares and 800,000 underlying Shares in respect of share options granted under the share option scheme of the Company within the meaning of part XV of the SFO.

Save as disclosed above, Mr. Chan confirmed that there is no other information that needs to be disclosed pursuant to any of the requirements as set out in Rule 13.51(2)(h)-(v) of the Listing Rules. The Company is not aware of any other matter that needs to be brought to the attention of the Shareholders and the Stock Exchange in relation to the re-election of Mr. Chan.

Mr. Chan Ka Lai, Joseph

Mr. Chan Ka Lai, Joseph, aged 40, graduated from the McGill University in Canada with a degree in chemical engineering. He is the managing director of HKCM and is responsible for the overall management of the restaurant operation of HKCM. He was appointed a director of the Company in July 2000. Save as disclosed above, Mr. Chan did not hold any other directorship in other listed public companies in the last 3 years. Mr. Chan is the son of Mr. Chan Wai Cheung, Glenn and Mrs. Chan King Catherine as well as the brother of Mr. Chan Ka Shun, Raymond. Mr. Chan is the director of the following subsidiaries within the Group:

Name of subsidiaries

Bodega Limited
Bread Boutique Limited
Saint Anna Cake Shop (Macau) Limited

Pursuant to a service contract given by the Company to Mr. Chan, his renewed appointment has become effective from 29 September 2002. Mr. Chan's appointment is without a fixed term and terminable by either party with one month prior written notice as well as subject to rotation and re-election at the Company's annual general meeting in accordance with the Bye-laws. Under the service contract with the Company, Mr. Chan is entitled to receive an annual Director's fee of HK\$50,000 which was determined by the Board with reference to his qualification and experience, responsibilities to be undertaken, and the prevailing market level of remuneration of similar position. As at the Latest Practicable Date, Mr. Chan has interested in 155,405,250 Shares within the meaning of part XV of the SFO.

Save as disclosed above, Mr. Chan confirmed that there is no other information that needs to be disclosed pursuant to any of the requirements as set out in Rule 13.51(2)(h)-(v) of the Listing Rules. The Company is not aware of any other matter that needs to be brought to the attention of the Shareholders and the Stock Exchange in relation to the re-election of Mr. Chan.

Mr. Bingley Wong

Mr. Bingley Wong, aged 76, has over 43 years extensive experience in accounting, auditing and taxation. He is a fellow member of a number of professional bodies: Hong Kong Institute of Certified Public Accountants, CPA Australia, Association of International Accountants, Institute of Chartered Secretaries and Administrators, Hong Kong Institute of Company Secretaries, Hong Kong Institute

of Directors Limited and The Australian Institute of Company Directors and is also a member of Hong Kong Securities Institute and the Institute of Chartered Accountants in England and Wales. Mr. Wong is a certified public accountant and established Bingley Wong & Co., CPA after working over 20 years in the Inland Revenue Department and he is the managing directors of Bingley Consulting Limited and BW Nominee Limited and a director of Bingley Wong (CPA) Limited. He renders public services as a director of the Hong Kong Chiu Chow Chamber of Commerce Limited for over 10 years and Yan Oi Tong in 1983. Over the past 3 years, Mr. Wong had been the independent non-executive director of Northern International Holdings Limited, a company listed in the main board of the Stock Exchange, until his resignation on 28 September 2004. He was appointed as independent non-executive director of the Company in July 2003.

Pursuant to a service contract given by the Company to Mr. Wong, his renewed appointment has become effective from 7 July 2003. Mr. Wong's appointment is without a fixed term and terminable by either party with one month prior written notice as well as subject to rotation and re-election at the Company's annual general meeting in accordance with the Bye-laws. Under the service contract with the Company, Mr. Wong is entitled to receive an annual Director's fee of HK\$50,000 which was determined by the Board with reference to his qualification and experience, responsibilities to be undertaken, and the prevailing market level of remuneration of similar position. Mr. Wong is not connected with any Director, senior management, substantial shareholder or controlling shareholder of the Company. As at the Latest Practicable Date, Mr. Wong do not have any interest in Shares within the meaning of part XV of the SFO.

Save as disclosed above, Mr. Wong confirmed that there is no other information that needs to be disclosed pursuant to any of the requirements as set out in Rule 13.51(2)(h)-(v) of the Listing Rules. The Company is not aware of any other matter that needs to be brought to the attention of the Shareholders and the Stock Exchange in relation to the re-election of Mr. Wong.

The Directors confirm that in order to entitle the Company to terminate the service contract of any of them, the Company does not have to give a period of notice of more than one year or to pay compensation or make other payments equivalent to more than one year's emolument.

NOTICE OF ANNUAL GENERAL MEETING



SAINT HONORE HOLDINGS LIMITED

聖安娜控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 192)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the members of Saint Honore Holdings Limited (the “Company”) will be held at World Trade Centre Club Hong Kong, 38/F, World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong on 21 September 2006 (Thursday) at 3:30 p.m. for the purpose of transacting the following business:

ORDINARY BUSINESS

1. To receive and consider the audited financial statements and the reports of the directors and auditors for the year ended 31 March 2006.
2. To declare a final dividend for the year ended 31 March 2006.
3. (1) To re-elect the following directors of the Company (the “Directors”):
 - (a) Mr. Chan Wai Cheung, Glenn;
 - (b) Mr. Shum Wing Hon;
 - (c) Mrs. Chan Wong Man Li, Carrina;
 - (d) Mr. Chan Ka Shun, Raymond;
 - (e) Mr. Chan Ka Lai, Joseph; and
 - (f) Mr. Bingley Wong.
- (2) To authorize the board of Directors (the “Board”) to fix the remuneration of the Directors.
4. To appoint auditors for the ensuing year and to authorize the Board to fix their remuneration.

NOTICE OF ANNUAL GENERAL MEETING

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolution:

5. **As Ordinary Resolution:**

“THAT:

- (a) subject to paragraph (c) of this Ordinary Resolution, the exercise by the Directors during the Relevant Period (as defined in paragraph (d) below) of all powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into Shares of the Company) which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this Ordinary Resolution shall authorize the Directors during the Relevant Period (as defined in paragraph (d) below) to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into Shares of the Company) to subscribe for shares in the Company which would or might require the exercise of such powers after the end of the Relevant Period (as defined in paragraph (d) below);
- (c) the aggregate nominal amount of share capital allotted, issued and dealt with 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 Ordinary Resolution, otherwise than pursuant to (i) a Rights Issue (as defined hereinafter), or (ii) the exercise of the rights of subscription or conversion under the terms of any securities of the Company which carry the right to subscribe or are convertible into shares in the Company, or (iii) the exercise of options which may be granted under any share option scheme of the Company, or (iv) an issue of Shares of the Company in lieu of the whole or part of a dividend on Shares of the Company in accordance with the Bye-laws of the Company from time to time, shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this Ordinary Resolution and the said approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

- (d) for the purpose of this Ordinary Resolution, “Relevant Period” means the period from the passing of this Ordinary Resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
or
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or the Companies Act 1981 of Bermuda or any applicable laws of Bermuda to be held; or
 - (iii) the revocation or variation of this Ordinary Resolution by an ordinary resolution of shareholders of the Company in general meeting.”

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of 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 having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, or in any territory applicable to the Company).”

6. **As special Resolution:**

“**THAT** the Bye-laws of the Company be and is amended by replacing the words “special resolution” with “ordinary resolution” of the existing Bye-law 86(4).”

By Order of the Board
Wong Tsui Yue, Lucy
Company Secretary

Hong Kong, 28 July 2006

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. Any member of the Company entitled to attend and vote at the meeting convened by the above notice is entitled to appoint a proxy or proxies to attend and, on a poll, vote in his stead. A proxy need not be a member of the Company.
2. In order to be valid, a form of proxy together with a power of attorney or other authority, if any, under which it is signed or certified by a notary or an official copy of that power of attorney or authority, must be deposited at the Company's principal office at 5/F, Express Industrial Building, 43 Heung Yip Road, Wong Chuk Hang, Hong Kong not less than 48 hours before the time appointed for holding the meeting or adjourned meeting.
3. The register of members will be closed from 15 September 2006 (Friday) to 21 September 2006 (Thursday), both days inclusive, during which period no transfers of shares will be effected. To determine entitlement to the recommended final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-6, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on 14 September 2006 (Thursday).
4. With regard to the business referred to in paragraph 5 above, the Directors wish to state that they have no immediate plans to issue any new shares of the Company.