
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action you should take, 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 South China Holdings Limited, you should at once hand this circular and the accompanying proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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



SOUTH CHINA HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 265)

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES, RE-ELECTION OF DIRECTORS AND NOTICE OF ANNUAL GENERAL MEETING

A notice convening the Annual General Meeting of South China Holdings Limited (the “Company”) to be held at 28th Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong on Wednesday, 25 May 2005 at 11:30 a.m. is set out in this circular. **Please note that refreshments will not be served at the Annual General Meeting.**

Whether or not you are able to attend the Annual General Meeting, you are advised to read the notice and to complete and return the enclosed proxy form, in accordance with the instructions printed thereon, to the Company’s share registrar, Union Registrars Limited at 311-312 Two Exchange Square, Central, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjournment thereof. Completion of the proxy form and its return will not preclude you from attending, and voting at, the Annual General Meeting or any adjournment thereof if you so wish.

29 April 2005

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	3
Appendix I – Explanatory Statement for Share Repurchase Mandate	6
Appendix II – Biographical Details of Retiring Directors	10
Notice of the Annual General Meeting	13

DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be convened and held at 28th Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong on Wednesday, 25 May 2005 at 11:30 a.m., notice of which is set out on pages 13 to 17 of this circular
“Board”	the Company’s board of Directors
“Company”	South China Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“General Mandates”	the general and unconditional mandates proposed under ordinary resolutions numbered 4 and 6 in the notice of the AGM set out on pages 13 to 17 of this circular to be granted to the Directors to (i) allot and issue shares of the Company up to an aggregate nominal amount not exceeding 20% of the aggregate nominal value of the issued share capital of the Company on the date of the passing of the said ordinary resolution; (ii) to extend the mandate in (i) above by an amount representing the aggregate nominal amount of the Shares repurchased by the Company made pursuant to and in accordance with the Repurchase Mandate
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	25 April 2005, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Repurchase Mandate”	the general and unconditional mandate proposed under ordinary resolution numbered 5 in the notice of the AGM set out on page 15 of this circular to be granted to the Directors to repurchase the Company’s shares up to an aggregate nominal amount not exceeding 10% of the aggregate nominal value of the issued share capital of the Company on the date of the passing of the said ordinary resolution
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.025 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



SOUTH CHINA HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 265)

Executive Directors:

Mr. Ng Hung Sang, Robert (*Chairman*)
Mr. Richard Howard Gorges
Ms. Cheung Choi Ngor, Christina
Ms. Ng, Jessica Yuk Mui
Mr. Ng Yuk Fung Peter

Non-executive Directors:

Mr. David Michael Norman

Independent Non-executive Directors:

Mr. David John Blackett
Mrs. Tse Wong Siu Yin, Elizabeth
Mr. Cheng Hong Kei

Registered office:

M&C Corporate Services Limited
P.O. Box 309GT
Ugland House
South Church Street
George Town
Grand Cayman
Cayman Islands

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

28th Floor
Bank of China Tower
1 Garden Road
Central
Hong Kong

29 April 2005

To the Shareholders

Dear Sir or Madam

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with the information regarding the proposed granting of the General Mandates and the Repurchase Mandate, the re-election of Directors and to give you notice of the AGM at which resolutions will be proposed to consider, and if thought fit, approve at the AGM, among other matters, the granting of the General Mandates and the Repurchase Mandate and the re-election of Directors.

LETTER FROM THE BOARD

GENERAL MANDATES AND REPURCHASE MANDATE

At an annual general meeting of the Company held on 25 May 2004, resolutions were passed by the Shareholders giving general unconditional mandates to the Directors to issue and allot Shares and to exercise the powers of the Company to repurchase its own Shares in accordance with the Listing Rules. These general mandates will lapse at the conclusion of the AGM.

It is therefore necessary to renew the General Mandates and the Repurchase Mandate at the AGM and ordinary resolutions will be proposed to seek the Shareholders' approval for granting of the General Mandates and the Repurchase Mandate at such meeting. Details of the aforesaid resolutions are set out in ordinary resolutions numbered 4 to 6 in the notice of the AGM.

The General Mandates and the Repurchase Mandate, if passed, will continue in force until the conclusion of the next annual general meeting of the Company or 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 laws of the Cayman Islands to be held or until revoked or varied by ordinary resolution by the Shareholders in general meeting, whichever occurs first.

An explanatory statement as required by the Listing Rules to provide the Shareholders with all the information reasonably necessary for them to make an informed decision on the proposed resolution for the granting of the Repurchase Mandate is set out in the Appendix I to this circular.

RE-ELECTION OF DIRECTORS

At the AGM, ordinary resolutions will also be proposed to re-elect Mr. Ng Hung Sang, Robert, Mr. Richard Howard Gorges, Ms. Cheung Choi Ngor, Christina, Mrs. Tse Wong Siu Yin, Elizabeth and Mr. Cheng Hong Kei as Directors of the Company according to the Articles of Association. To enable Shareholders to make an informed decision on the re-election of these retiring Directors, the biographical details of the retiring Directors, as required under Chapter 13 of the Listing Rules, are set out in the Appendix II to this circular for the information of Shareholders.

ANNUAL GENERAL MEETING

A notice convening the AGM is set out on pages 13 to 17. At the AGM, relevant resolutions will be proposed to approve the granting of the General Mandates and the Repurchase Mandate and the re-election of Directors.

LETTER FROM THE BOARD

There is enclosed a proxy form for use at the AGM. Whether or not you intend to attend the AGM or any adjournment, you are requested to complete the proxy form in accordance with the instructions printed thereon and return the same to the Company's share registrar, Union Registrars Limited at 311-312 Two Exchange Square, Central, Hong Kong as soon as possible and in any event not less than 48 hours before the time fixed for holding the AGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting at the AGM or any adjournment thereof should you so wish. In the event that a Shareholder having lodged a proxy form attends the AGM, his proxy form will be deemed to have been revoked.

RIGHT TO DEMAND A POLL

Pursuant to the Articles of Association of the Company, a resolution put to the vote of a general 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. A poll may be demanded by:-

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

Unless a poll is so demanded and not withdrawn, a declaration by the Chairman that a resolution has on a show of hands been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the Company's book containing the minutes of proceedings of meetings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

RECOMMENDATION

The Directors consider that the granting of the General Mandates and the Repurchase Mandate and the re-election of Directors are in the best interests of the Company, the Group and the Shareholders as a whole and so recommend the Shareholders to vote in favour of the resolutions to be proposed at the AGM. The Directors will vote all their shareholdings in favour of the resolutions.

Yours faithfully
For and on behalf of the Board
Ng Hung Sang, Robert
Chairman

This serves as an explanatory statement, as required to be sent to all Shareholders under the Listing Rules, to provide the relevant information in connection with the Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the number of Shares of the Company in issue was 1,823,401,376.

Subject to the passing of the resolution for the grant of the Repurchase Mandate and on the basis of 1,823,401,376 Shares in issue and assuming that no further Shares are issued or repurchased by the Company prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 182,340,137 Shares, during the period ending on the earliest of the date of the next annual general meeting of the Company, the date by which the next annual general meeting of the Company is required to be held by any applicable law or the Articles of Association of the Company or the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in general meeting of the Company.

2. REASONS FOR THE REPURCHASE

The Directors believe that the Repurchase Mandate is in the best interests of the Company and its Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per Share and will only be made when the Directors believe that such a purchase will benefit the Company and its Shareholders.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Memorandum and Articles of Association of the Company, the Listing Rules and the laws of the Cayman Islands. The Company is empowered by its Articles of Association to purchase its shares. The laws of Cayman Islands provide that Shares may only be repurchased out of the profits of the Company, and/or out of the proceeds of a fresh issue of Shares made for this purpose and/or even out of the capital paid up on the repurchased Shares.

4. GENERAL

There may not have 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 of the Company for the financial year ended 31 December 2004) in the event that the Repurchase Mandate was to be exercised in full at any time during the proposed repurchase period.

5. UNDERTAKING

The Directors have undertaken to the Stock Exchange that they will exercise the power of the Company to make purchases of the Shares pursuant to the Repurchase Mandate only in accordance with the Listing Rules, the Memorandum and Articles of Association of the Company and the applicable laws of the Cayman Islands.

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

No connected person (as defined in the Listing Rules) of the Company has notified the Company that he has a present intention to sell securities to the Company nor has undertaken not to do so, in the event that the Company is authorised to make purchases of Shares upon Repurchase Mandate is approved by the Shareholders.

6. HONG KONG CODE ON TAKEOVERS AND MERGERS

If as a result of a repurchase of shares, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a shareholder or a group of shareholders acting in concert (as interpreted according to the Takeovers Code), depending on the level of the increase of the shareholder's interest, could obtain or consolidate control of the Company and become(s) obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

APPENDIX I EXPLANATORY STATEMENT FOR SHARE REPURCHASE MANDATE

As at the Latest Practicable Date, the substantial shareholders of the Company who were directly, or indirectly, interested in 5% or more of the issued share capital of the Company were as follows:

Name of Shareholder	Capacity	Number of Shares held	<i>Note</i>	Percentage holding
Earntrade Investments Limited (“Earntrade”)	Beneficial owner	487,949,760	(a)	26.76%
Bannock Investment Limited (“Bannock”)	Beneficial owner	237,303,360	(a)	13.01%
Parkfield Holdings Limited (“Parkfield”)	Beneficial owner	371,864,000		20.39%
Fung Shing Group Limited (“Fung Shing”)	Beneficial owner	396,050,252		21.72%
Mr. Ng Hung Sang, Robert	Beneficial owner and interest of controlled corporations	1,344,181,812	(b)	73.72%

Notes:

- (a) Earntrade is the holding company of Bannock. The 487,949,760 Shares referred to above include the 237,303,360 Shares held by Bannock. Mr. Ng Hung Sang, Robert, Mr. Richard Howard Gorges and Ms. Cheung Choi Ngor, Christina have beneficial interests in Earntrade.
- (b) Mr. Ng Hung Sang, Robert, a Director of the Company, through Parkfield, Fung Shing, Ronastar Investments Limited, Bannock and Earntrade, holds a total of 1,344,181,812 Shares, being 73.72% shareholdings in the Company. Mr. Ng is taken to be interested in 1,344,181,812 Shares by virtue of the SFO.
- (c) All interests disclosed above represent long position in the Shares.

APPENDIX I EXPLANATORY STATEMENT FOR SHARE REPURCHASE MANDATE

Mr. Ng Hung Sang, Robert through his indirect interests in SCH, was taken to be interested in the 1,344,181,812 Shares of the Company. In the event that the Directors exercise the proposed Repurchase Mandate in full, then (if the present shareholdings otherwise remained the same), the shareholding in the Company held by Mr. Ng would be increased to approximately 18.91% of the issued share capital of the Company and such increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code but will reduce the amount of Shares held by the public to less than 25% of the total issued share capital of the Company. The Directors have no intention to repurchase Shares to such an extent which will result in the amount of Shares held by the public being reduced to less than 25%.

7. SHARE PURCHASE MADE BY THE COMPANY

No purchase has been made by the Company of its Shares (whether on the Stock Exchange or otherwise) in the six months prior to the Latest Practicable Date.

8. MARKET PRICES

The highest and lowest prices at which Shares have traded on the Stock Exchange during each of the previous twelve months preceding the Latest Practicable Date were as follows:

	Price per Share	
	Highest (HK\$)	Lowest (HK\$)
APRIL 2004	0.270	0.270
MAY 2004*	N/A	N/A
JUNE 2004*	N/A	N/A
JULY 2004	0.270	0.260
AUGUST 2004*	N/A	N/A
SEPTEMBER 2004	0.240	0.240
OCTOBER 2004	0.250	0.220
NOVEMBER 2004	0.250	0.232
DECEMBER 2004	0.250	0.250
JANUARY 2005	0.430	0.240
FEBRUARY 2005	0.400	0.325
MARCH 2005	0.450	0.280

* There was no transaction on the Shares recorded for the month.

To enable Shareholders to make an informed decision on the re-election of the retiring Directors, we set out below the biographical details of the retiring Directors for the information of Shareholders.

1. Mr. Ng Hung Sang, Robert, Chairman

Aged 55, is the Chairman of the Company, South China Brokerage Company Limited (“SCB”), South China Industries Limited (“SCI”), Wah Shing International Holdings Limited (“Wah Shing”) and Jessica Publications Limited and Co-chairman and Chief Executive Officer of Capital Publications Limited. He holds a Master’s degree in marketing from Lancaster University in the United Kingdom and is a fellow member of the Chartered Institute of Management Accountants. He was appointed as a Director of the Company in June 1992. He is the father of Ms. Ng, Jessica Yuk Mui and Mr. Ng Yuk Fung Peter, Executive Directors of the Company.

As at the Latest Practicable Date, Mr. Ng personally owned 71,652,200 Shares in the Company. In addition, through companies wholly-owned and controlled by him, Mr. Ng had interests in 1,272,529,612 shares in the Company. By virtue of the interests in the shares of the Company in relation to which Mr. Ng has a duty of disclosure under the SFO in the issued share capital of the Company as described aforesaid and as a director of the Company, Mr. Ng was deemed to have an interest in 1,344,181,812 Shares in the Company.

Save as aforesaid, Mr. Ng did not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company. He was paid a director’s fee of HK\$10,000 for the year ended 31 December 2004.

2. Mr. Richard Howard Gorges, Executive Director

Aged 61, is the Vice-chairman of SCB and SCI and a Deputy Chairman of Wah Shing. He holds a Master’s degree in law from Cambridge University in the United Kingdom. He was appointed as a Director of the Company in June 1992.

As at the Latest Practicable Date, Mr. Gorges was deemed to have an interest in 487,949,760 shares in the Company which include 237,303,360 shares held by Bannock Investment Limited (“Bannock”) and 250,646,400 shares held by Earntrade Investments Limited (“Earntrade”). Bannock is a wholly-owned subsidiary of Earntrade which is owned as to 60% by Mr. Ng Hung Sang, Robert, 20% by Ms. Cheung Choi Ngor, Christina and 20% by Mr. Gorges, all of whom are considered as parties to an agreement to which Section 317 of the SFO applies. Mr. Ng and Ms. Cheung are Executive Directors of the Company.

Mr. Gorges did not have any relationships with any directors, senior management or other substantial or controlling shareholders of the Company. He was paid a director's fee of HK\$10,000 for the year ended 31 December 2004.

3. Ms. Cheung Choi Ngor, Christina, Executive Director

Aged 51, is the Vice-chairman of SCB, the Vice-chairman and Chief Executive Officer of SCI, the Deputy Chairman and Chief Executive of Wah Shing. She holds a Master's degree in business administration from the University of Illinois in the United States of America. She was appointed as a Director of the Company in June 1992.

As at the Latest Practicable Date, Ms. Cheung was deemed to have an interest in 487,949,760 shares in the Company which include 237,303,360 shares held by Bannock and 250,646,400 shares held by Earntrade. Bannock is a wholly-owned subsidiary of Earntrade which is owned as to 60% by Mr. Ng Hung Sang, Robert, 20% by Mr. Richard Howard Gorges and 20% by Ms. Cheung, all of whom are considered as parties to an agreement to which Section 317 of the SFO applies. Mr. Ng and Mr. Gorges are Executive Directors of the Company.

Ms. Cheung did not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company. She was paid a director's fee of HK\$10,000 for the year ended 31 December 2004.

4. Mrs. Tse Wong Siu Yin, Elizabeth, Independent Non-executive Director

Aged 47, is the Chairman of the Hong Kong Flower Retailers Association. She is also one of the judges of the Hong Kong Flower Show and a member of the Working Party on Floristry of Hong Kong Vocational Training Council. Mrs. Tse holds a Bachelor of Science in nutrition from the University of Western Ontario in Canada. She was appointed as an Independent Non-executive Director of the Company in September 2004.

As at the Latest Practicable Date, Mrs. Tse did not have any interests in Shares of the Company within the meaning of Part XV of the SFO nor did she have any relationships with any directors, senior management or substantial or controlling shareholders of the Company. She was paid a director's fee of HK\$5,573 for the year ended 31 December 2004.

5. Mr. Cheng Hong Kei, Independent Non-executive Director

Aged 50, is a co-founding director of Cheng & Cheng Limited, Certified Public Accountants, in Hong Kong. He studied accountancy at Hong Kong Polytechnic (now known as The Hong Kong Polytechnic University) and was admitted as a Certified Public Accountant in Hong Kong in 1991. Mr. Cheng has 30 years of experience in the accounting field. Prior to establishing of his own practice, he worked as an assessor for the Hong Kong Inland Revenue Department for 12 years. He was appointed as an Independent Non-executive Director of the Company in September 2004.

As at the Latest Practicable Date, Mr. Cheng did not have any interests in Shares of the Company within the meaning of Part XV of the SFO nor did he have any relationships with any directors, senior management or substantial or controlling shareholders of the Company. He was paid a director's fee of HK\$12,978 for the year ended 31 December 2004.

NOTICE OF ANNUAL GENERAL MEETING



SOUTH CHINA HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 265)

NOTICE IS HEREBY GIVEN that an Annual General Meeting of South China Holdings Limited (the “Company”) will be held at 11:30 a.m. on Wednesday, 25 May 2005 at 28th Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong 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 of the Auditors for the year ended 31 December 2004.
2. To re-elect Directors and to authorise the Board of Directors to fix the Directors’ remuneration.
3. To re-appoint Auditors and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modification the following resolutions as ordinary resolutions:

AS ORDINARY RESOLUTIONS

4. **“THAT:**
 - (a) subject to sub-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, issue and deal with additional shares or securities convertible into shares, or options, warrants or similar rights to subscribe for any shares and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the approval in sub-paragraph (a) of this Resolution shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in sub-paragraph (a) of this Resolution, otherwise than pursuant to (i) a Rights Issue as hereinafter defined, or (ii) an issue of shares upon the exercise of rights of subscription or conversion under the terms of any warrants issued by Company or any securities which are convertible into shares of the Company, or (iii) the exercise of options granted under any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company or (iv) an issue of shares as scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company, shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this Resolution, and the said approval shall be limited accordingly; and
- (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 law to be held; and
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.

NOTICE OF ANNUAL GENERAL MEETING

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

5. **“THAT:**

- (a) subject to sub-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 issued shares in the capital of the Company on the Stock Exchange or on any other exchange on which the securities of the Company may be listed and recognised for this purpose by The Securities and Futures Commission of Hong Kong and the Stock Exchange (“Recognised Stock Exchange”) subject to and in accordance with all applicable laws and the requirements of the Listing Rules as amended from time to time or that of any other Recognised Stock Exchange, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the shares which may be repurchased pursuant to the approval in sub-paragraph (a) of this Resolution, shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this Resolution and the said approval shall be limited accordingly; and
- (c) 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 law to be held; and
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.”

NOTICE OF ANNUAL GENERAL MEETING

6. “**THAT** conditional upon the Resolutions Nos. 4 and 5 set out in the notice convening this Meeting being passed, the aggregate nominal amount of the number of shares which are repurchased by the Company after the date of the passing of this Resolution (up to a maximum of 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this Resolution) shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company pursuant to Resolution No. 4 set out in the notice convening this Meeting.”
7. To transact any other ordinary business.

By Order of the Board
Cheung Choi Ngor, Christina
Director

Hong Kong Special Administrative Region
of the People's Republic of China
29 April 2005

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. A member entitled to attend and vote at the annual general meeting is entitled to appoint one or more proxies to attend and on a poll vote instead of him. A proxy need not be a member of the Company.
2. In order to be valid, a form of proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of authority, must be deposited at the Company's Share Registrar, Union Registrars Limited of 311-312 Two Exchange Square, Central, Hong Kong, not less than 48 hours before the time fixed for holding the Meeting or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude any member from attending and voting in person at the annual general meeting or any adjourned meeting thereof should he so wishes.
3. The Register of Members of the Company will be closed from Tuesday, 24 May 2005 to Wednesday, 25 May 2005 (both days inclusive), during which period no transfer of shares can be registered. In order to qualify for the attendance at the Annual General Meeting, all share transfers, accompanied by the relevant share certificates, must be lodged for registration with the Company's share registrar, Union Registrars Limited of 311-312 Two Exchange Square, Central, Hong Kong no later than 4:00 p.m. on 23 May 2005.
4. In case of joint shareholdings, the vote of the senior joint shareholder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint shareholder(s) and for this purposes seniority will be determined by the order in which the names stand in the Register of Members of the Company in respect of the joint shareholding.
5. In relation to Resolution 5, an explanatory statement (as required by the Listing Rules) is set out in Appendix I to this circular.

Please note that refreshments will not be served at the Annual General Meeting.