# 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 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 or transferred all your shares in e-Kong Group Limited (the "Company"), you should at once hand this circular with the enclosed form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer 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.



(Incorporated in Bermuda with limited liability)
(Stock Code: 524)

# GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES

#### RE-ELECTION OF RETIRING DIRECTORS

# AMENDMENTS OF BYE-LAWS AND NOTICE OF ANNUAL GENERAL MEETING

A notice convening the annual general meeting of the Company to be held at 3805 Tower II, Lippo Centre, 89 Queensway, Hong Kong on Wednesday, 25 May 2005 at 10:00 a.m. is set out on pages 11 to 15 of this circular.

If you are not able to attend and/or vote at the meeting in person, you are requested to complete and return the form of proxy enclosed with this circular in accordance with the instructions printed thereon to the Company's Branch Share Registrar in Hong Kong, Secretaries Limited at G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting at the meeting should you so wish.

# **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 held at 3805

Tower II, Lippo Centre, 89 Queensway, Hong Kong on Wednesday,

25 May 2005 at 10:00 a.m., and any adjournment thereof

"Bye-laws" bye-laws of the Company from time to time

"Companies Act" the Companies Act 1981 of Bermuda

"Company" e-Kong Group Limited, a company incorporated in Bermuda with

limited liability and the Shares of which are listed on the Stock

Exchange

"Corporate Governance

Code"

the Code on Corporate Governance Practices, Appendix 14 to the

Listing Rules

"Director(s)" director(s) of the Company

"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

"Issue Mandate" the proposed mandate to allot, issue and deal with additional Shares

not exceeding 20% of the issued share capital of the Company as at

the date of passing the resolution approving the said mandate

"Latest Practicable Date" 19 April 2005, being the latest practicable date for ascertaining certain

information in this circular prior to the printing of this circular

"Listing Rules" Rules Governing the Listing of Securities on the Stock Exchange

"Repurchase Mandate" the proposed mandate to exercise the power of the Company to

repurchase Shares up to a maximum of 10% of the issued share capital of the Company as at the date of the resolution approving the said

mandate

"SFO" the Securities and Futures Ordinance, Cap. 571, Laws of Hong Kong

# **DEFINITIONS**

"Share(s)" ordinary share(s) of HK\$0.01 each in the share capital of the Company

"Shareholder(s)" holder(s) for the time being of Shares

"Stock Exchange" The Stock Exchange of Hong Kong Limited

"Takeover Code" the Code on Takeovers and Mergers issued by the Securities and

**Futures Commission** 

In this circular, unless the context otherwise requires, words importing masculine gender include feminine and neutral genders, and vice versa.



(Incorporated in Bermuda with limited liability)
(Stock Code: 524)

Directors:	Registered Office:
Mr. Richard John Siemens (Chairman)	Clarendon House
Mr. Kuldeep Saran (Deputy Chairman)	2 Church Street
Mr. Lim Shyang Guey	Hamilton HM 11
Mr. William Bruce Hicks*	Bermuda

Mr. Shane Frederick Weir\*\*
Mr. Matthew Brian Rosenberg\*\*

Mr. John William Crawford\*\*

Principal Office: 3805 Tower II Lippo Centre 89 Queensway Hong Kong

25 April 2005

To the Shareholders and, for information purpose only, option holders of the Company

Dear Sir or Madam,

# GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES

# **RE-ELECTION OF RETIRING DIRECTORS**

# AMENDMENTS OF BYE-LAWS AND NOTICE OF ANNUAL GENERAL MEETING

#### INTRODUCTION

On 18 May 2004, general mandates were given to the Directors to issue Shares and to exercise all the powers of the Company to repurchase its Shares. These general mandates will lapse at the conclusion of the AGM. It is therefore proposed to renew the general mandates to issue Shares and to repurchase Shares at the AGM.

<sup>\*</sup> Non-executive Director

<sup>\*\*</sup> Independent Non-executive Directors

The purpose of this circular is to provide you with information in relation to the resolutions to be proposed at the AGM for the approval of (i) granting of general mandates to the Directors to issue and to repurchase Shares, (ii) re-election of retiring Directors and (iii) amendments of the Bye-laws to align with, among others, the changes to the Listing Rules concerning corporate governance practices which, subject to certain transitional arrangements, came into effect on 1 January 2005, further details of which are set out in the notice of the AGM.

#### GENERAL MANDATE TO ISSUE SHARES

Separate ordinary resolutions will be proposed at the AGM to approve (i) the granting of the Issue Mandate to the Directors and (ii) the addition to the Issue Mandate of any Shares repurchased by the Company under the authority of the Repurchase Mandate, in order to provide flexibility for issuing new Shares when it is in the interests of the Company to do so, details of which are respectively set out in the proposed Resolutions Nos. 4A and 4C in the notice of the AGM. The Directors have no present intention to issue any new Shares pursuant to the Issue Mandate.

#### GENERAL MANDATE TO REPURCHASE SHARES

An ordinary resolution will be proposed at the AGM to approve the granting of the Repurchase Mandate to the Directors, details of which are set out in the proposed Resolution No. 4B in the notice of the AGM. The Shares which may be repurchased pursuant to the Repurchase Mandate are limited to a maximum of 10% of the issued share capital of the Company as at the date of passing of the resolution approving the Repurchase Mandate.

If the resolution for the granting of the Repurchase Mandate is passed at the AGM, the Repurchase Mandate will be in force until 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 applicable law or the Bye-laws to be held and (iii) the date on which it is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

An explanatory statement as required by the Listing Rules is set out in Appendix I to this circular. The explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether or not to vote for or against the ordinary resolution to grant the Repurchase Mandate to the Directors at the AGM.

#### RE-ELECTION OF RETIRING DIRECTORS

In accordance with bye-laws 86 and 87 of the Bye-laws, Mr. William Bruce Hicks and Mr. John William Crawford shall retire by rotation at the AGM and, being eligible, offer themselves for reelection. Particulars of Mr. Hicks and Mr. Crawford are set out as follows:

#### Mr. William Bruce Hicks

Mr. William Bruce Hicks, 43, was appointed as a Non-executive Director of the Company in December 2001. He is the Group Managing Director of SUNDAY Communications Limited and an Executive Director of Distacom Communications Limited. During 1987 to 1993, Mr. Hicks worked at Hutchison Telecom in Hong Kong and, prior to that period, Motorola Inc. in the United States. He holds a B.S.E.E. degree from Michigan Technological University and an M.B.A. from the International Management Institute in Geneva, Switzerland. Save as disclosed above, Mr. Hicks did not hold any directorships in listed public companies in the last three years preceding the Latest Practicable Date.

As at the Latest Practicable Date, Mr. Hicks had the following interests in the Shares as recorded in the register required to be kept under section 352 in Part XV of the SFO:

		<b>Number of Shares held</b>	
Percentage of issued Share capital	Total interests	Corporate interests	Personal interests
14.9%	70,282,342	67,962,428*	2,319,914

<sup>\* 67,962,428</sup> Shares are beneficially owned by Great Wall Holdings Limited, a company controlled by Mr. Hicks.

In accordance with the letter of appointment with Mr. Hicks, the term of his appointment shall, subject to retirement and re-election at the annual general meetings of the Company in accordance with the Bye-laws, expire on 31 December 2005 and thereafter shall be renewable for fix term(s) of three (3) years provided always that either the Company or Mr. Hicks may terminate the appointment by giving to the other party not less than one (1) calendar month's notice in writing thereof. He does not receive any emolument for holding office as a non-executive Director.

Save as disclosed above, Mr. Hicks does not hold any positions with the Company or its subsidiaries, and is not connected with any directors, senior management or substantial shareholders of the Company, and there are no other matters that need to be brought to the attention of the Shareholders.

#### Mr. John William Crawford

Mr. John William Crawford J.P., 62, was appointed as an Independent Non-executive Director of the Company in September 2004. He is also an independent non-executive director of SUNDAY Communications Limited. He was a founding partner of Ernst & Young, Hong Kong and vice chairman of the firm. Since his retirement from accounting practice, Mr. Crawford has been particularly involved in the education sector, including setting up international schools and providing consulting services. He is actively involved in various community service organisations and is a Justice of the Peace. Mr. Crawford was also appointed as a member of the audit committee and the remuneration committee of the Company. Save as disclosed above, Mr. Crawford did not hold any directorships in listed public companies in the last three years preceding the Latest Practicable Date.

As at the Latest Practicable Date, Mr. Crawford did not have any interests in the Shares within the meaning of Part XV of the SFO.

In accordance with the letter of appointment with Mr. Crawford, the term of his appointment shall, subject to retirement and re-election at the annual general meetings of the Company in accordance with the Bye-laws, expire on 31 December 2005 and thereafter shall be renewable for fix term(s) of three (3) years provided always that either the Company or Mr. Crawford may terminate the appointment by giving to the other party not less than one (1) calendar month's notice in writing thereof. Mr. Crawford is entitled to an annual director's fee of HK\$100,000, which was determined on the date of appointment with reference to the prevailing market level of remuneration for a similar position. Other than the aforesaid, Mr. Crawford is not entitled to any other emoluments for holding office as an Independent Non-executive Director or as a member of any committees established by the board of Directors.

Save as disclosed above, Mr. Crawford does not hold any positions with the Company or its subsidiaries, and is not connected with any directors, senior management or substantial shareholders of the Company, and there are no other matters that need to be brought to the attention of the Shareholders.

#### AMENDMENTS OF BYE-LAWS

The Stock Exchange has amended the Listing Rules concerning corporate governance practices by, among others, issuing the Corporate Governance Code which, subject to certain transitional arrangements, came into effect on 1 January 2005. To bring the constitution of the Company in alignment with the provisions in the Corporate Governance Code, the Directors propose to amend the Bye-laws so that

- (a) there shall be an overriding obligation on the part of the Company to conduct voting of any resolution in a general meeting of the Company by way of a poll where such procedural requirement is stipulated in the Listing Rules;
- (b) if the voting of any resolution in a general meeting of the Company is by way of a poll, the Company will be required to disclose the voting figures on a poll if such disclosure is required by the Listing Rules;

- (c) every Director shall retire from office no later than the third annual general meeting of the Company after he was last elected or re-elected; and
- (d) Directors holding office as the Chairman or Managing Director are also subject to retirement by rotation.

At the AGM, the Directors wish to seek the approval from the Shareholders of the above amendments to the Bye-laws. The full text of the proposed amendments to the Bye-laws is set out in the proposed Resolution No.5 in the notice of the AGM.

Shareholders should note that the Bye-laws are in the English language only and the Chinese translation of Resolution No.5 as set out in the notice of the AGM in relation to the wordings and provisions of the Bye-laws is for reference only.

#### ANNUAL GENERAL MEETING

A notice of the AGM is set out in Appendix II to this circular.

Pursuant to the Bye-laws, 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 demanded by (i) the chairman of such meeting; or (ii) at least three Shareholders present in person or (being a corporation) by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or (iii) Shareholder(s) present in person or (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 Shareholders having the right to vote at the meeting; or (iv) Shareholder(s) present in person or (being a corporation) by its duly authorised representative or by proxy and holding 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.

A form of proxy for use at the AGM is enclosed with this circular. If you are not able to attend and/ or vote at the AGM in person, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon to the Company's Branch Share Registrar in Hong Kong, Secretaries Limited at G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting at the meeting should you so wish.

#### RECOMMENDATION

The Directors consider that the granting of the Issue Mandate, the Repurchase Mandate and the amendments of the Bye-laws are in the best interests of the Company and its Shareholders, and accordingly recommend that you vote in favour of the resolutions to be proposed at the AGM.

#### **MISCELLANEOUS**

As at the Latest Practicable Date, to the extent that the Company was aware of having made all reasonable enquiries, no Shareholder was required to abstain from voting under the Listing Rules on any of the proposed resolutions as set out in the notice of the AGM.

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

Yours faithfully, By order of the Board **Richard John Siemens** *Chairman* 

Shareholders who have chosen to receive printed copy of corporate communications of the Company in either the English language or the Chinese language will receive this circular in both languages since they are bound together into one booklet. For further enquiries, please contact Secretaries Limited, the Company's Branch Share Registrar in Hong Kong, at telephone no. 2980 1766 or facsimile no. 2861 1465.

This circular, in both the English and Chinese languages and in accessible format has been made available on the Company's website and a soft copy thereof has been submitted to the Stock Exchange.

Shareholders may at any time choose to receive corporate communications in printed form or electronically. In order to select to receive future corporate communications of the Company in the English language or the Chinese language or both languages, or to receive electronic communications, or to revoke or amend an instruction previously made, Shareholders may complete, sign and return to Secretaries Limited, the Company's Branch Share Registrar in Hong Kong, at G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong a prescribed instruction form, a soft copy of which is available on the Company's website.

This Appendix serves as an explanatory statement given to Shareholders, as required under the Listing Rules, in connection with the proposed Repurchase Mandate.

#### 1. LISTING RULES

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their securities on the Stock Exchange subject to certain restrictions, the most important of which are summarised below:

#### (a) Shareholders' approval

All repurchases of securities on the Stock Exchange by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of a general mandate to the directors of the company to undertake such repurchases or by a specific approval in relation to specific transactions.

# (b) Source of funds

Repurchases must be funded out of funds which are legally available for such purpose in accordance with the company's constitutional documents and the laws of the jurisdiction in which the company is incorporated or otherwise established.

## (c) Maximum number of shares to be repurchased and subsequent issue

A maximum of 10% of the issued share capital of the company as at the date of the passing of the relevant resolution for granting the general mandate of share repurchase may be repurchased on the Stock Exchange. A company may not, without the approval of the Stock Exchange, issue new shares or announce a proposed issue of new shares for a period of 30 days immediately following a share repurchase, whether on the Stock Exchange or otherwise, other than an issue of shares pursuant to the exercise of warrants, share options or similar instruments requiring the company to issue securities, which are outstanding prior to the date of the repurchase.

#### 2. SHARE CAPITAL

It is proposed that up to 10% of the Shares in issue as at the date of passing the resolution to approve the Repurchase Mandate may be repurchased. As at the Latest Practicable Date, the number of Shares in issue was 470,894,200. On the basis of such figure (assuming no further Shares are issued or repurchased following the Latest Practicable Date and prior to the date of the AGM), the Company would be allowed under the Repurchase Mandate to repurchase Shares up to a limit of 47,089,420 Shares.

#### 3. REASON FOR REPURCHASES

Although the Directors have no present intention of repurchasing any Shares, they believe that the flexibility afforded by the Repurchase Mandate would be beneficial to 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 and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and its Shareholders.

#### 4. FUNDING OF REPURCHASES

Funds required for any share repurchase would be derived from those funds legally permitted to be utilised in this connection in accordance with the Memorandum of Association and Byelaws of the Company and applicable laws of Bermuda. Under Bermuda law, a share purchase may only be effected out of the capital paid up on the purchased shares or out of the funds of the company otherwise available for dividend or distribution or out of the proceeds of a fresh issue of shares made for the purpose. Any premium payable on a purchase over the par value of the shares to be purchased must be provided for out of funds of the company otherwise available for dividend or distribution or out of the company's share premium account. In addition, no share purchase may take place if, on the date on which the purchase is to be effected, there are reasonable grounds for believing that the company is, or after the purchase would be, unable to pay its liabilities as they become due.

The Directors consider that 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 consolidated financial statements of the Group for the year ended 31 December 2004, being the latest published accounts of the Company) in the event that the Repurchase Mandate was to be carried out 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.

#### 5. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules, the Memorandum of Association and Bye-laws of the Company and the applicable laws of Bermuda.

None of the Directors or, to the best of their knowledge and having made all reasonable enquiries, any of their associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company or its subsidiaries under the Repurchase Mandate in the event that the Repurchase Mandate is approved by the Shareholders.

No 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 the Shareholders.

#### 6. EFFECT OF TAKEOVER CODE

If as a result of a repurchase of Shares by the Company pursuant to the Repurchase Mandate, 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 the Takeover Code. Accordingly, a Shareholder, or group of Shareholders acting in concert, depending on the level of increase in the Shareholders' interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeover Code.

As at the Latest Practicable Date, to the best knowledge and belief of the Directors, Messrs. Richard John Siemens, Kuldeep Saran and William Bruce Hicks, directors of the Company, together with companies controlled by them beneficially held totalling 238,887,597 Shares in the Company (representing approximately 50.73% of the issued share capital of the Company). Assuming the Repurchase Mandate is exercised in full and the number of Shares held by them remains unchanged, their shareholdings will be increased to approximately 56.37% of the issued share capital of the Company. On the basis of the existing shareholdings, the Directors are not aware that in the event that the Repurchase Mandate is exercised in full, there will be any implication under the Takeover Code.

The Directors will exercise the powers conferred by the Repurchase Mandate to repurchase Shares in circumstances which they deem appropriate for the benefits of the Shareholders. In addition, the Directors have no present intention to exercise the Repurchase Mandate to the extent that the number of Shares in the hands of the public would fall below the prescribed minimum aggregate percentage (under the Listing Rules) of 25%.

#### 7. SHARE REPURCHASE MADE BY THE COMPANY

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

# 8. SHARE PRICES

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

	Price pe	Price per Share	
	Highest	Lowest	
	HK\$	HK\$	
2004			
April	0.260	0.195	
May	0.220	0.175	
June	0.220	0.180	
July	0.200	0.180	
August	0.200	0.172	
September	0.182	0.146	
October	0.150	0.128	
November	0.187	0.144	
December	0.168	0.130	
2005			
January	0.170	0.130	
February	0.147	0.130	
March	0.148	0.110	



(Incorporated in Bermuda with limited liability)
(Stock Code: 524)

**NOTICE IS HEREBY GIVEN THAT** the Annual General Meeting of e-Kong Group Limited (the "Company") will be held at 3805 Tower II, Lippo Centre, 89 Queensway, Hong Kong on Wednesday, 25 May 2005 at 10:00 a.m. for the following purposes:

#### **As Ordinary Business**

- 1. To receive and consider the audited financial statements for the year ended 31 December 2004 and the reports of directors and of the auditors thereon.
- 2. To re-elect retiring directors and to fix their remuneration.
- 3. To appoint auditors and to authorise the board of directors to fix their remuneration.

## **As Special Business**

4. To consider and, if thought fit, pass the following resolutions, with or without amendments, as 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 hereinafter defined) of all the powers of the Company to allot, issue or otherwise deal with additional shares of HK\$0.01 each in the capital of the Company, or securities convertible into shares, or options, warrants or similar rights to subscribe for any shares, 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;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the directors of the Company pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to issue of shares as a result of:

- (i) a Rights Issue (as hereinafter defined); or
- (ii) any scrip dividend or similar arrangement providing for the allotment of shares, in lieu of the whole or part of a dividend on shares of the Company, pursuant to the Bye-laws of the Company from time to time; or
- (iii) the exercise of any option granted under any share option scheme or similar arrangement for the time being adopted and approved by the shareholders of the Company for the grant or issue to directors or employees or eligible participants of the Company and/or any of its subsidiaries of shares or rights to acquire shares in the Company; or
- (iv) the exercise of subscription rights or conversion rights attaching to any warrants or any other securities convertible into shares which may be issued by the Company,

shall not exceed 20% 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 purpose of this Resolution:

"Relevant Period" means the period from the passing of this Resolution until 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 Bye-laws of the Company or any applicable law to be held: and
- (iii) the date on which the authority given under this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in 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 any class thereof (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws, or the requirements of any recognised regulatory body or any stock exchange, in any territory applicable to 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 hereinafter defined) of all the powers of the Company to repurchase shares of the Company on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), or on any other stock exchange on which the shares of the Company may be listed and which is recognised by the Securities and Futures Commission and the Stock Exchange for this purpose ("Recognised Stock Exchange"), subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange and, if applicable, any other Recognised Stock Exchange, as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company to be repurchased by the Company pursuant to 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 passing this Resolution and the said approval shall be limited accordingly; and
- (c) for the purpose of this Resolution:

"Relevant Period" means the period from the passing of this Resolution until 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 Bye-laws of the Company or any applicable law to be held; and
- (iii) the date on which the authority given under this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting."
- C. "THAT conditional upon Resolutions 4A and 4B above being passed, the general mandate granted to directors of the Company for the time being in force to exercise the powers of the Company to allot, issue and deal with additional shares of the Company pursuant to Resolution 4A be and is hereby extended by the addition to the aggregate nominal amount of share capital of the Company which may be allotted, issued, and dealt with or agreed conditionally or unconditionally to be allotted, issued and dealt with by the directors of the Company pursuant to such general mandate of an amount representing the aggregate nominal amount of the shares repurchased by the Company under the authority granted pursuant to Resolution 4B, provided that such extended amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this Resolution."

#### NOTICE OF ANNUAL GENERAL MEETING

5. To consider and, if thought fit, pass the following resolution, with or without amendments, as a special resolution:

"THAT the existing Bye-laws of the Company be and are hereby amended in the following manner:

- (a) by inserting the words "voting by way of a poll is required by the listing rules of any Designated Stock Exchange or" after the words "on a show of hands unless" in the third sentence of Bye-law 66;
- (b) by deleting the existing Bye-law 68 in its entirety and substituting therefor the following new Bye-law 68:
  - "68. If a poll is duly demanded, the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the listing rules of any Designated Stock Exchange."; and
- (c) by deleting the existing Bye-law 87(1) in its entirety and substituting therefor the following new Bye-law 87(1):
  - "87(1). Notwithstanding any other provisions in the Bye-laws, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), 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 three years.";

and

**THAT** the directors of the Company be and are hereby authorised to do all such acts, deeds and things as they shall, in their absolute discretion deem fit, in order to effect and complete the foregoing."

By Order of the Board **Lau Wai Ming, Raymond** *Company Secretary* 

Hong Kong, 25 April 2005

#### Notes:

- 1. A member entitled to attend and vote at the meeting convened by the above notice (or at any adjournment thereof) is entitled to appoint a proxy to attend and vote on his/her behalf at the meeting. A proxy need not be a member of the Company.
- 2. To be valid, a form of proxy, together with the power of attorney or other authority, if any, under which it is signed, or a certified copy of such power of attorney or authority, must be deposited at the Company's Branch Share Registrar in Hong Kong, Secretaries Limited at G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the meeting or any adjourned meeting.
- 3. Completion and delivery of the form of proxy shall not preclude any member from attending and voting in person at the meeting convened, if the member so desires and in such event, the form of proxy shall be deemed to be revoked.
- 4. In case of joint registered holders of any shares, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such shares as if he/she was solely entitled thereto, but if more than one of such joint holders is present at the meeting personally or by proxy, that one of such holders so present whose name stands first in the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.
- 5. Pursuant to the Bye-laws 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 demanded by (i) the chairman of such meeting; or (ii) at least three members of the Company ("Shareholders") present in person or (being a corporation) by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or (iii) Shareholder(s) present in person or (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 Shareholders having the right to vote at the meeting; or (iv) Shareholder(s) present in person or (being a corporation) by its duly authorised representative or by proxy and holding 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.
- 6. An explanatory statement containing further details regarding Resolution 4B above will be sent to members and other persons who are entitled thereto together with the Company's 2004 Annual Report.