

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a 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 Great China Holdings Limited, you should at once hand this circular and the accompanying forms 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.

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GREAT CHINA HOLDINGS LIMITED
大中華集團有限公司

(Incorporated in Hong Kong under the Companies Ordinance)

Stock code: 0141

**PROPOSALS FOR
RE-ELECTION OF RETIRING DIRECTORS
AND
GENERAL MANDATES TO ISSUE SHARES
AND REPURCHASE SHARES
AND
AMENDMENTS TO THE ARTICLES OF ASSOCIATION
AND
NOTICES OF ANNUAL GENERAL MEETING AND
EXTRAORDINARY GENERAL MEETING**

The notices convening the Annual General Meeting and the Extraordinary General Meeting of Great China Holdings Limited to be held at 6th Floor, No. 9 Des Voeux Road West, Hong Kong on Thursday, 19 May 2005 at 10:00 a.m. and 10:15 a.m. (or as soon as the Annual General Meeting shall have been concluded or adjourned) respectively at which the above proposals will be considered are set out on pages 10 to 12 and pages 13 to 16 of this circular respectively. Whether or not you are able to attend the meetings, please complete and return the relevant forms of proxy as instructed as soon as possible and in any event not less than 48 hours before the respective times appointed for holding the meetings to the registered office of the Company. Completion and return of the forms of proxy will not preclude you from attending and voting at the meetings should you so wish.

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DEFINITIONS

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

“the AGM”	the annual general meeting, and any adjournment thereof, of the Company scheduled to be held on Thursday, 19 May 2005 at 10:00 a.m. at 6th Floor, No. 9 Des Voeux Road West, Hong Kong, notice of which is set out on pages 10 to 12 of this circular
“the Articles of Association”	the Articles of Association of the Company
“Associate(s)”	has the meaning ascribed thereto under the Listing Rules
“the Board”	the board of directors of the Company
“the Companies Ordinance”	the Companies Ordinance (Cap. 32 of the Laws of Hong Kong)
“the Company”	Great China Holdings Limited, a company incorporated in Hong Kong with limited liability whose shares are listed on the Stock Exchange
“Connected Person(s)”	has the meaning ascribed thereto under the Listing Rules
“the Director(s)”	the director(s) of the Company
“the EGM”	the extraordinary general meeting, and any adjournment thereof, of the Company scheduled to be held on Thursday, 19 May 2005 at 10:15 a.m. at 6th Floor, No. 9 Des Voeux Road West, Hong Kong, notice of which is set out on pages 13 to 16 of this circular
“the General Mandate”	the general mandate to issue and allot new Shares, to be granted to the Directors upon approval by Shareholders at the AGM
“the Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“the Latest Practicable Date”	22 April 2005 being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“the Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“the Repurchase Mandate”	the general mandate to repurchase Shares, to be granted to the Directors upon approval by Shareholders at the AGM
“the Retiring Directors”	the Directors retiring at the AGM and, being eligible, offering themselves for re-election at the AGM in accordance with the Articles of Association
“the Securities and Futures Ordinance”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.20 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“the Stock Exchange”	The Stock Exchange of Hong Kong Limited or, as the context may require, the main board for the listing of securities operated by it



GREAT CHINA HOLDINGS LIMITED
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Directors

Executive Directors

Rustom Ming Yu HO (*Chairman*)

John Ming Tak HO (*Managing Director*)

Non-executive Director

Chui Yi CHIU

Independent Non-executive Directors

Lawrence Kam Kee YU

David Hon To YU

Hsu Chou WU

Registered Office

6th Floor

No. 9 Des Voeux Road West

Hong Kong

27 April 2005

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR
RE-ELECTION OF RETIRING DIRECTORS
AND
GENERAL MANDATES TO ISSUE SHARES
AND REPURCHASE SHARES
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AMENDMENTS TO THE ARTICLES OF ASSOCIATION
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INTRODUCTION

The Company will propose at the AGM resolutions to, among other matters, re-elect the Retiring Directors and grant to the Directors the General Mandate and the Repurchase Mandate to issue and repurchase Shares upon the expiry of the existing mandates that were granted to the Directors at the annual general meeting held on 19 May 2004. In addition, the Company will propose a resolution at the EGM to amend the Articles of Association.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with further information on resolutions to be proposed at the AGM and the EGM and to give you notices of the AGM and the EGM at which the resolutions will be proposed to consider and, if thought fit, approve.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of providing information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular with regard to the Company and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, opinions expressed in this circular have been arrived at after due and careful consideration and there are no other facts not contained in this circular, the omission of which would make any statement herein misleading.

RE-ELECTION OF RETIRING DIRECTORS

In accordance with Article 95 of the Articles of Association, Mr Hsu Chou WU holds office until the AGM and being eligible, will offer himself for re-election. In accordance with Article 104(A) of the Articles of Association, Mr David Ho To YU retires by rotation at the AGM and, being eligible, will offer himself for re-election. Information on the above Directors as required to be disclosed under the Listing Rules is set out in Appendix I to this circular.

GENERAL MANDATE AND REPURCHASE MANDATE

At the annual general meeting of the Company held on 19 May 2004, ordinary resolutions were passed to grant general mandates to the Directors to issue, allot and otherwise deal with additional Shares and to repurchase Shares. These general mandates will expire at the conclusion of the AGM. Resolutions will be proposed at the AGM to grant the General Mandate and the Repurchase Mandate to the Directors. The Directors wish to state that they have no immediate plans to repurchase any Shares or to issue any new Shares pursuant to the relevant mandates.

An explanatory statement as required by the Listing Rules in connection with the Repurchase Mandate is set out in Appendix II to this circular.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

A special resolution will be proposed at the EGM to amend the Articles of Association to reflect changes imposed by the Listing Rules. These changes include, among other things, the addition of the definition for "Associate(s)" that came into effect on 31 March 2004, and the provisions relating to Corporate Governance that came into effect on 1 January 2005. Full details of the proposed amendments of the Articles of Association are set out in the notice of the EGM.

LETTER FROM THE BOARD

AGM AND EGM

Notices convening the AGM and the EGM are set out on pages 10 to 12 and pages 13 to 16 of this circular respectively. At the AGM, resolutions will be proposed to re-elect the Retiring Directors and to approve the granting of the General Mandate and the Repurchase Mandate. At the EGM, a resolution will be proposed to amend the Articles of Association. Shareholders or their proxies are entitled to demand a poll at any general meeting. Details of the poll procedures are set out in Appendix III to this circular.

Forms of proxy for the AGM and the EGM are enclosed. Whether or not you intend to attend the AGM and the EGM, please complete the forms of proxy as instructed and return the same to the Company Secretary at the registered office of the Company at 6th Floor, No. 9 Des Voeux Road West, Hong Kong as soon as possible and in any event no later than 48 hours before the time appointed for holding the meetings. You can still attend and vote at the AGM and the EGM even if you have completed and sent in the proxy forms.

RECOMMENDATION

Your Directors believe that the re-election of the Retiring Directors, the granting of the General Mandate and the Repurchase Mandate and the proposed amendments to the Articles of Association are all in the interests of the Company and the Shareholders. Accordingly, the Directors recommend that you vote in favour of all the resolutions to be proposed at both the AGM and the EGM.

Yours faithfully,
For and on behalf of the Board

John Ming Tak HO
Managing Director

The following is the information, as required to be disclosed by the Listing Rules, on the Retiring Directors proposed to be re-elected at the AGM.

1. Mr. David Hon To YU, aged 57, was appointed as an independent non-executive director of the Company on 7 January 1999. Mr. Yu is a fellow member of the Institute of Chartered Accountants in England and Wales and an associate member of the Hong Kong Institute of Certified Public Accountants. He was a partner of an international accounting firm with extensive experience in corporate finance. Mr. Yu is a founder and director of Management Capital Limited, which specialises in direct investment and financial advisory activities. Mr. Yu is currently a director of the following companies that are listed on the Stock Exchange: BALtrans Holdings Limited, Guangzhou Shipyard International Company, Ming Pao Enterprise Corporation Limited, Playmates Holdings Limited, and Shun Cheong Holdings Limited. Mr. Yu has been a director of Shimao China Holdings Ltd (a listed company in Hong Kong). Save as disclosed above, Mr Yu did not hold any other office of director in listed companies in the past three years.

Mr. Yu is not connected with any directors, senior management, or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, he does not have any interest in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Yu has not entered into any written service contract with the Company. According to the Articles of Association, Mr. Yu is subject to retirement by rotation at annual general meetings. The director's fee payable to Mr. Yu for the year ended 31 December 2004 amounted to HK\$120,000, which was determined with reference to prevailing market rates for similar duties. Mr Yu was not entitled to any fixed or discretionary bonus.

2. Mr. Hsu Chou WU, aged 50, was appointed as an independent non-executive director of the Company on 20 September 2004. Mr. Wu is a member of the Taipei Bar Association. He is currently the Chairman of the Eurasia Law Office in Taipei. He is also a committee member of the Taipei County Construction and Building Commission, a committee member of the Taipei County Consumption Dispute Accommodation Commission, a committee member of the Law and Regulation Commission of the Ministry of Interior in Taiwan, and a legal consultant of the National Police Agency of the Ministry of Interior in Taiwan. Mr. Wu is the author of the book "Far Away From Medical Dispute". Mr Wu did not hold any office of director in other listed companies in the past three years.

Mr. Wu is not connected with any directors, senior management, or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, he does not have any interest in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Wu has not entered into any written service contract with the Company. According to the Articles of Association, Mr. Wu is subject to retirement by rotation at annual general meetings. The director's fee payable to Mr. Wu for the year ended 31 December 2004 amounted to HK\$16,833, which was determined with reference to prevailing market rates for similar duties. Mr Wu was not entitled to any fixed or discretionary bonus.

Save as disclosed above, there is no other matter that needs to be brought to the attention of Shareholders regarding the Retiring Directors.

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide information to Shareholders for their consideration of the Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued ordinary share capital of the Company comprised 261,684,910 Shares. Subject to the passing of Ordinary Resolution No. 6 at the AGM and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 26,168,491 Shares.

2. REASONS FOR REPURCHASE

Whilst the Directors do not presently intend to repurchase any Shares, they believe that the flexibility afforded by the Repurchase Mandate granted to them if the Ordinary Resolution No. 6 set out in the AGM notice is passed would be beneficial to the Company and its shareholders. Trading conditions on the Stock Exchange have sometimes been volatile in recent years and if there are occasions in the future when Shares are traded at a discount to their underlying value, the ability of the Company to repurchase Shares can be beneficial to those Shareholders who retain their investment in the Company since this may, depending on the circumstances, result in increases to the fully diluted net assets and/or earnings per Share.

3. SOURCE OF FUNDS

The Directors propose that repurchase of Shares under the Repurchase Mandate in these circumstances would be financed from the Company's internal resources or existing banking facilities.

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum and articles of association and the laws of Hong Kong. Whilst the Repurchase Mandate, if exercised in full, may have a material adverse impact on the working capital or gearing position of the Company, as compared with the position disclosed in the Company's audited accounts for the year ended 31 December 2004, the Directors expect to exercise such mandate if and to such extent only as they are satisfied that the exercise thereof will not have such a material adverse impact.

4. DISCLOSURE OF INTERESTS

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases pursuant to the Repurchase Mandate in accordance with the Listing Rules and the laws of Hong Kong. None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their Associates presently intend to sell Shares to the Company under the Repurchase Mandate in the event that the latter is granted by the Shareholders.

The Company has not been notified by any Connected Persons of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company, in the event that the Repurchase Mandate is granted by the Shareholders.

5. MARKET PRICES

The highest and lowest traded market prices for the Shares as recorded on the Stock Exchange during each of the previous twelve months before the printing of this document were as follows:

	Traded market price	
	Highest (HK\$)	Lowest (HK\$)
2004:		
April	0.520	0.330
May	0.410	0.280
June	0.540	0.380
July	0.610	0.540
August	0.680	0.580
September	0.750	0.670
October	0.670	0.370
November	0.495	0.350
December	0.520	0.470
2005:		
January	0.500	0.340
February	0.800	0.450
March	0.820	0.560
April (up to the Latest Practicable Date)	0.630	0.440

6. HONG KONG CODE ON TAKEOVERS AND MERGERS

If as a result of a share repurchase made by the Company, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Hong Kong Code on Takeovers and Mergers. Accordingly, a Shareholder, or a group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Hong Kong Code on Takeovers and Mergers. In the event that any exercise of the Repurchase Mandate would, to the knowledge of the Board, have such a consequence, the Board would not exercise the Repurchase Mandate to such an extent.

The register of substantial Shareholders maintained under section 336 of the Securities and Futures Ordinance shows that, as at the Latest Practicable Date, the substantial Shareholders collectively held an aggregate of 73.67% of the issued share capital of the Company. If the Repurchase Mandate is exercised in full, the aggregate shareholding of the substantial Shareholders will be increased to 81.86%. It is the intention of the Board to maintain the listing of the Company on the Stock Exchange. The Board would not exercise the Repurchase Mandate to an extent that would result in the aggregate shareholding of the substantial Shareholders exceeding 75% of the issued share capital of the Company.

7. SHARE REPURCHASE MADE BY THE COMPANY

No repurchases of Shares have been made by the Company during the last six months (whether on the Stock Exchange or otherwise).

Article 75 of the Articles of Association sets out the procedures under which a poll may be demanded:

“At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:–

- (i) by the Chairman of the meeting; or
- (ii) by at least three members present in person (or, in the case of a member being a corporation, by its duly authorized representative) or by proxy for the time being entitled to vote at the meeting; or
- (iii) by any member or members present in person (or, in the case of a member 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 the members having the right to vote at the meeting; or
- (iv) by a member or members present in person (or, in the case of a member 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 the shares conferring that right.

Unless a poll be 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 book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour or against such resolution.”

NOTICE OF ANNUAL GENERAL MEETING



GREAT CHINA HOLDINGS LIMITED 大中華集團有限公司

(Incorporated in Hong Kong under the Companies Ordinance)

Stock code: 0141

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the shareholders of the Company will be held at 6th Floor, No. 9 Des Voeux Road West, Hong Kong on Thursday, 19 May 2005 at 10:00 a.m. for the following purposes:

ORDINARY BUSINESS

1. To receive and consider the Report of the Directors and the Report of the Auditors and the audited accounts for the year ended 31 December 2004;
2. To declare payment of final dividend for 2004;
3. To re-elect Directors and to authorise the Board to fix their remuneration;
4. To re-appoint auditors and to authorise the Directors to fix their remuneration;

SPECIAL BUSINESS

5. To consider and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

“THAT there be granted to the Directors of the Company an unconditional general mandate to issue, allot and deal with additional shares in the capital of the Company, and to make or grant offers, agreements and options in respect thereof, subject to the following conditions:

- (a) such mandate shall not extend beyond the Relevant Period save that the Directors of the Company may during the Relevant Period make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the aggregate nominal amount of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company otherwise than pursuant to (i) a Rights Issue, (ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company, or any securities which are convertible into ordinary shares of the Company; and (iii) 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, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this Resolution; 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 the Articles of Association of the Company or any applicable law to be held; and
- (iii) the revocation or variation of this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company made to holders of shares on the register of the Company on a fixed record date in proportion to their then holdings of such shares (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 of, or the requirements of, any recognised regulatory body or any stock exchange in, or in any territory outside, Hong Kong).”

6. To consider and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

“**THAT** there be granted to the Directors of the Company an unconditional general mandate to repurchase shares in the capital of the Company, and that the exercise by the Directors of the Company of all powers of the Company to repurchase shares subject to and in accordance with all applicable laws, rules and regulations be and is hereby generally and unconditionally approved, subject to the following conditions:

- (a) such mandate shall not extend beyond the Relevant Period;

NOTICE OF ANNUAL GENERAL MEETING

- (b) such mandate shall authorise the Directors of the Company to procure the Company to repurchase shares at such prices as the Directors of the Company may at their discretion determine;
 - (c) the aggregate nominal amount of the shares repurchased or agreed 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 of this Resolution; and
 - (d) for the purposes of this Resolution “Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable law to be held; and
 - (iii) the revocation or variation of this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.”
7. To consider and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

“**THAT**, conditional upon the passing of Resolutions 5 and 6 set out in the notice convening this meeting, the aggregate nominal amount of the shares which shall have been repurchased by the Company pursuant to and in accordance with Resolution 6 above, shall be added to the aggregate nominal amount of the shares which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company pursuant to and in accordance with Resolution 5 above, provided that such additional 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 of this Resolution.”

By order of the Board
Ka Yi TSE
Secretary

Hong Kong, 27 April 2005

Note:

Every member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and on a poll vote instead of him. A proxy need not be a member of the Company. In order to be valid, the form of proxy, together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof, must be deposited at the Company’s registered office, 6th Floor, No. 9 Des Voeux Road West, Hong Kong, not less than 48 hours before the time appointed for the holding of the meeting.

NOTICE OF EXTRAORDINARY GENERAL MEETING



GREAT CHINA HOLDINGS LIMITED 大中華集團有限公司

(Incorporated in Hong Kong under the Companies Ordinance)

Stock code: 0141

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of shareholders of the Company will be held at 6th Floor, No. 9 Des Voeux Road West, Hong Kong on Thursday, 19 May 2005 at 10:15 am (or as soon as the Annual General Meeting scheduled to be held at the same place and date at 10:00 am shall have been concluded or adjourned) for the purpose of considering and, if thought fit, passing the following resolution as a special resolution:

SPECIAL RESOLUTION

“THAT the Articles of Association of the Company be altered in the following manner:

- A. by inserting the following definitions in Article 2 immediately after the definition of “the Companies Ordinance”:

“the Listing Rules” shall mean the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as modified from time to time);

“Associates” shall have the same meaning as ascribed to it under the Listing Rules;

- B. by inserting the words “and with the Listing Rules” immediately after the words “Section 57A of the Ordinance” in Article 18.

- C. by inserting the sentence: “However, the amount so advanced shall not entitle the holder of the share to participate in respect thereof in a dividend subsequently declared.” immediately after the first sentence in Article 36.

- D. by deleting the existing Article 40 (i) in its entirety and substituting with the following:

“40. (i) a fee of HK\$2 or, if lesser, the maximum sum allowed by the Listing Rules is paid to the Company in respect thereof;”

- E. by deleting the existing Article 41 in its entirety and substituting with the following:

“41. Deleted.”

NOTICE OF EXTRAORDINARY GENERAL MEETING

F. by insert the following Article immediately after Article 92:

“92A. Where any shareholder is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.”

G. by deleting the existing Article 103 (B) (ii) in its entirety and substituting with the following:

“103.(B) (ii) Subject to the provisions of the Listing Rules, a Director shall not vote on any board resolution approving any contract or arrangement or any other proposal in which he or any of his Associates has a material interest nor shall he be counted in the quorum present at the meeting, unless the resolution or proposal is in respect of one or more of the following matters:–

(1) the giving of any security or indemnity either:–

(a) to the Director or his Associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries; or

(b) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his Associate(s) has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;

(2) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or his Associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;

(3) any proposal concerning any other company in which the Director or his Associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the Director or his Associate(s) is/are beneficially interested in shares of that company, provided that the Director and any of his Associates are not in aggregate beneficially interested in 5% or more of the issued shares of any class of such company (or of any third company through which his interest or that of his Associates is derived) or of the voting rights;

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (4) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:–
 - (a) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which the Director or his Associate(s) may benefit; or
 - (b) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to Directors, his Associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director, or his Associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and
- (5) any contract or arrangement in which the Director or his Associate(s) is/ are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.

H. by deleting the existing Article 104 (A) in its entirety and substituting with the following:

“104. (A) At each annual general meeting one-third of the Directors for the time being or, if their number is not three or a multiple of three, then the number nearest but not less than one-third, shall retire from office. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree between themselves) be determined by lot. The retiring Directors shall be eligible for re-election.”

I. by adding the sentence: “The period for lodgment of the notices referred to in this article will commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than 7 days prior to the date of such general meeting.” towards the end of the existing Article 108.

NOTICE OF EXTRAORDINARY GENERAL MEETING

J. by deleting the existing Article 171 in its entirety and substituting with the following:

“171. A member shall be entitled to have notices served on him at any address both within or outside Hong Kong.”

K. by deleting the words “within Hong Kong” in the sixth line of Article 173.”

By order of the board

Ka Yi TSE

Company Secretary

Hong Kong, 27 April 2005

Note:

Every member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and on a poll vote instead of him. A proxy need not be a member of the Company. In order to be valid, the form of proxy, together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof, must be deposited at the Company's registered office, 6th Floor, No. 9 Des Voeux Road West, Hong Kong, not less than 48 hours before the time appointed for the holding of the meeting.