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If you are in doubt about any aspect of this circular, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold all your shares and/or warrants in Van Shung Chong Holdings Limited (the “Company”), you should at once hand this circular together with the accompanying form of proxy to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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VSC万顺昌

VAN SHUNG CHONG HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1001)

Board of Directors:

Andrew Yao Cho Fai, *Chairman*

Miriam Yao Che Li

Johnson Ho Sai Hou

Fernando Dong Sai Ming

Shao You Bao*

Chow Yei Ching**

Kenneth Ting Woo Shou**

Harold Richard Kahler**

Registered Office:

Clarendon House

Church Street

Hamilton HM 11

Bermuda

Head Office and Principal

Place of Business:

Rooms 4902-8, Hopewell Centre

183 Queen's Road East

Wanchai

Hong Kong

(Non-executive Director)*

*** Independent Non-executive Directors)*

*To the shareholders (and, for information only,
to the holders of outstanding warrants
and holders of outstanding options)*

15th June, 2004

Dear Sir or Madam,

**GENERAL MANDATES TO REPURCHASE SHARES
AND TO ISSUE SHARES,
AMENDMENTS TO THE BYE-LAWS,
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

I am writing to seek the shareholders' approval of certain proposals which would, firstly, provide a fresh general mandate to the directors of the Company (the “Directors”) to issue shares in the Company, secondly, continue to enable the Company to repurchase its own shares on the Stock Exchange in accordance with the terms and conditions set out in this circular, and thirdly, the amendments to the Bye-laws.

LETTER FROM THE CHAIRMAN

ANNUAL GENERAL MEETING

Notice of the Company's 2004 annual general meeting (the "Annual General Meeting") to be held on 11th August, 2004 is set out on pages 7 to 12 of this circular (the "Notice"). A form of proxy for use at the Annual General Meeting is also enclosed. Whether or not shareholders intend to be present at the Annual General Meeting, they are requested to complete the form of proxy and deposit it with the Company Secretary at the head office and principal place of business of the Company at Rooms 4902-8, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, in accordance with the instructions printed thereon, not later than 48 hours before the time fixed for holding the Annual General Meeting. The return of the form of proxy will not prevent shareholders from attending the Annual General Meeting and voting in person should they wish to do so.

GENERAL MANDATE FOR ISSUE OF SHARES

Ordinary resolutions (Resolutions nos. 5A and 5C as set out in the Notice) are to be proposed at the Annual General Meeting of the Company which, if passed, will give to the Directors a fresh general mandate to issue new shares in the Company not exceeding 20 per cent. of the Company's issued share capital as at the date of passing such resolutions, and to issue any shares in place of those repurchased by the Company pursuant to the Repurchase Mandate (as defined below).

Accordingly, on the basis of 367,977,779 Shares (as defined in the Appendix) in issue as at 9th June, 2004, being the latest practicable date ("Latest Practicable Date") prior to the printing of this circular, and assuming that no Shares will be issued or repurchased prior to the Annual General Meeting, exercise in full of the 20% general mandate will result in up to 73,595,555 Shares being issued by the Company during the Relevant Period (as defined in the Resolution).

The general purpose of such a mandate is to enable the Directors to issue shares in the Company up to a specified amount without first having to obtain the consent of shareholders in general meeting. The need to make such an issue of shares could, for example, arise in the context of a transaction (such as the acquisition of a company) which had to be completed speedily. The mandate will continue in force, normally, until the next annual general meeting of the Company.

GENERAL MANDATE FOR REPURCHASE OF OWN SHARES

The existing general mandate to repurchase shares of the Company was granted to the Directors at the previous annual general meeting held on 16th July, 2003. At the Annual General Meeting, an ordinary resolution (Resolution no. 5B as set out in the Notice) is to be proposed which, if passed, will give the Directors a fresh general mandate (the "Repurchase Mandate") to exercise the Company's power to repurchase its own shares on the Stock Exchange, which mandate will be acted upon by the Directors where they consider it to be in the best interests of the Company to do so.

If this ordinary resolution is passed, the Company will be entitled to repurchase on the Stock Exchange, pursuant to the Repurchase Mandate, shares representing up to an aggregate of 10 per cent. of the issued share capital of the Company at the date of passing such resolution in accordance with the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), in the period whilst the Repurchase Mandate is in effect (normally, until the next annual general meeting of the Company). Under the Listing Rules, the Company and its Directors must also comply with The Hong Kong Codes on Takeovers and Mergers and Share Repurchases.

LETTER FROM THE CHAIRMAN

The explanatory statement set out in the Appendix on pages 5 to 6 of this circular contains further details relating to the proposed Repurchase Mandate including, in particular, the reasons for the proposals and other details required to be set out by the Listing Rules.

PROPOSED AMENDMENTS TO THE BYE-LAWS OF THE COMPANY

The Stock Exchange has revised the Listing Rules concerning various corporate governance issues which came into effective on 31st March, 2004. Those amendments, include, amongst others, the amendments to Appendix 3 of the Listing Rules governing the constitutional documents of a listed issuer.

As a result of the amendments to the Listing Rules, the Directors wish to take this opportunity to review the Bye-laws of the Company to reflect the recent changes in the Listing Rules and other regulatory changes.

In the circumstances, in order to comply with the aforesaid new requirements and to bring the Bye-laws of the Company up to date and in line with Appendix 3 to the Listing Rules, it is also proposed at the Annual General Meeting to amend the Bye-laws by Special Resolution (6) as set out in the Notice convening the Annual General Meeting. A brief background to the proposed amendments to the Bye-laws of the Company is set out as follows:

- (a) Bye-law 1 To adopt a definition of “associate”
- (b) Bye-law 76 To reflect the restriction on voting by members as required by the new requirements in Appendix 3 to the Listing Rules
- (c) Bye-law 88 To be consistent with the new requirements in Appendix 3 to the Listing Rules which stipulates a minimum period for allowing a member to propose a person (other than a Director) for election as a Director by serving the requisite notices. This minimum period must be fixed for at least seven days and should commence no earlier than the day after the dispatch of the notice of the meeting appointed for such election and no later than seven days prior to the date of such meeting.
- (d) Bye-law 103 To be consistent with the new requirements in Appendix 3 to the Listing Rules which requires the interests held by a Director’s associate(s) to be taken into account when considering the interests of that Director. Accordingly, subject to certain exceptions, a Director is not allowed to vote on any resolution of the board of Directors approving any contract or arrangement or any other proposal in which he or any his associate has a material interest nor shall he be counted in the quorum present at the meeting.
- (e) Bye-law 154(2) The notice requirement concerning the appointment of auditors shall be updated to reflect the current requirements in the Companies Act 1981 of Bermuda.

PROPOSED RE-ELECTION OF DIRECTOR

In accordance with the Company’s Bye-laws 87(1), Ms. Miriam Yao Che Li and Dr. Chow Yei Ching (“Dr. Chow”) will retire by rotation. Ms. Miriam Yao Che Li will not offer herself for re-election, whereas Dr. Chow being eligible, will offer himself for re-election, at the forthcoming Annual General Meeting.

LETTER FROM THE CHAIRMAN

The biographical detail of Dr. Chow is provided in the “Directors’ Profile” section in the 2004 annual report of the Company. As at the Latest Practical Date, Dr. Chow does not have any interest in the securities of the Company within the meaning of Part XV of the Securities and Future Ordinance. No service contract has been signed between Dr. Chow and the Company and his emolument will be reviewed annually taking into consideration prevailing market practice. Dr. Chow is independent of the directors, chief executive, substantial shareholders of the Company or an associate of any of them.

RIGHT TO DEMAND A POLL

Pursuant to Bye-law 66 of the Bye-laws of the Company, 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 demanded:—

- (a) by the chairman of such meeting; or
- (b) by at least three members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
- (c) by a member or members present in person or in the case of a member 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 members having the right to vote at the meeting; or
- (d) by a member or members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

RECOMMENDATION

The Directors consider that the proposals referred to in this circular are in the best interests of the Company and its shareholders and recommend that shareholders vote in favour of the Resolutions nos. 5A, 5B, 5C and 6 to be proposed at the Annual General Meeting.

Yours faithfully,
Andrew Yao Cho Fai
Chairman

This explanatory statement has been prepared in accordance with and as required by the provisions of the Listing Rules in relation to the resolution numbered 5B (the “Resolution”) contained in the Notice, as set out on pages 7 to 12 of this circular for the repurchase by the Company of its own shares on the Stock Exchange. This explanatory statement includes information for the Company’s shareholders to enable them to decide whether or not to approve the Repurchase Mandate. Repurchase by the Company of its own shares pursuant to the Repurchase Mandate may be made subject to certain restrictions.

EXERCISE OF THE REPURCHASE MANDATE

The Resolution will, if passed, give a general unconditional Repurchase Mandate to the Directors authorising the repurchase by the Company of up to 10 per cent. of the fully paid shares of HK\$0.10 each in the capital of the Company (“Shares”) in issue as at the date of passing such resolution in each case at any time during the Relevant Period (as defined in the Resolution).

Accordingly, on the basis of 367,977,779 Shares in issue as at the Latest Practicable Date prior to the printing of this circular, and assuming that no Shares will be issued or repurchased prior to the Annual General Meeting, exercise in full of the Repurchase Mandate will result in up to 36,797,777 Shares being repurchased by the Company during the Relevant Period (as defined in the Resolution).

REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and its shareholders to have a general authority from shareholders to enable the Directors to repurchase Shares. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement in the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and its shareholders. However, the Directors have no present intention to repurchase any Shares.

FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with Bermuda law and the Memorandum of Association and Bye-laws of the Company. Such funds may include capital paid up on the repurchased Shares or funds otherwise available for dividend or distribution and the proceeds of a fresh issue of Shares made for the purpose of the repurchases. Any premium payable on a repurchase over the par value of Shares to be repurchased 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.

If the Repurchase Mandate were exercised in full, there could be a material adverse effect on the working capital position of the Company and its subsidiaries (together the “VSC Group”) or the gearing levels which the Directors consider to be, from time to time, appropriate for the VSC Group (as compared with the position disclosed in the latest published audited consolidated accounts as at 31st March, 2004). The Directors therefore do not propose to exercise the Repurchase Mandate to such an extent unless the Directors determine that such repurchases are, taking into account all relevant factors, in the best interests of the VSC Group.

SHARE PRICES

The highest and lowest prices at which Shares of the Company have been traded on the Stock Exchange during each of the previous twelve months preceding the date of this circular were as follows:

	SHARES	
	Highest HK\$	Lowest HK\$
June 2003	1.470	1.150
July 2003	1.650	1.380
August 2003	1.560	1.370
September 2003	1.550	1.360
October 2003	2.100	1.480
November 2003	2.100	1.760
December 2003	1.980	1.730
January 2004	1.870	1.720
February 2004	1.770	1.680
March 2004	1.740	1.550
April 2004	1.690	1.250
May 2004	1.530	1.050

DISCLOSURE OF INTERESTS

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) currently intends to sell any Shares to the Company under the Repurchase Mandate if such Repurchase Mandate is approved by the Company's shareholders.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules and the laws of Bermuda.

No connected persons (as defined in the Listing Rules) of the Company have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, in the event that the Repurchase Mandate is approved by the Company's shareholders.

HONG KONG CODE ON TAKEOVERS AND MERGERS

If as a result of a share repurchase 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 purposes of the Hong Kong Code on Takeovers and Mergers (the "Code"). Accordingly, a shareholder or a group of shareholders acting in concert, could, depending upon the level of increase in shareholding interest(s), become obliged to make a mandatory offer in accordance with Rule 26 of the Code. In the event that any exercise of the Repurchase Mandate will, to the knowledge of the Directors, have such a consequence, the Directors will not exercise the mandate to such an extent. As at the Latest Practicable Date, Huge Top Industrial Ltd. ("Huge Top"), the only substantial shareholder who had registered an interest of 10 per cent. or more of the issued share capital of the Company, had a shareholding percentage in the Company of approximately 47.13 per cent. If the Repurchase Mandate is exercised in full, Huge Top's shareholding percentage in the Company will be increased to approximately 52.37 per cent. The Directors have no present intention to exercise the proposed Repurchase Mandate to such an extent as would result in takeover obligations.

REPURCHASES MADE BY THE COMPANY

No purchase has been made by the Company of its Shares (on the Stock Exchange or otherwise) in the six months prior to the date of this document.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the members of Van Shung Chong Holdings Limited (the “Company”) will be held at Rooms 4902-8, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong on 11th August, 2004 at 10:00 a.m. for the following purposes:

1. To receive and adopt the audited accounts and the Reports of the Directors and Auditors for the year ended 31st March, 2004.
2. To consider and declare a final dividend of HK 2.8 cents per share for the year ended 31st March, 2004.
3. To re-elect Directors and authorise the Board of Directors to fix the Directors’ remuneration and to appoint new Directors from time to time.
4. To re-appoint PricewaterhouseCoopers as the Company’s Auditors and authorise the Board of Directors to fix their remuneration.

As special business, to consider and, if thought fit, to pass with or without modifications, the following resolutions as ordinary resolutions or a special resolution:

ORDINARY RESOLUTIONS

5. A. **“THAT:**
 - (a) subject to paragraph (c) below, the exercise by the Directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to allot and issue additional shares in the capital of the Company and to make or grant offers, agreements and options which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;
 - (b) the approval in paragraph (a) shall be in addition to any other authorisation given to the Directors and shall authorise the Directors of the Company during the Relevant Period (as defined below) to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period (as defined below);
 - (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 paragraph (a) otherwise than pursuant to (i) a Rights Issue (as defined below) or (ii) the exercise of subscription or conversion rights under any warrants of the Company and under any securities which are convertible into shares in the capital of the Company, (iii) on the exercise of the subscription rights under share option schemes of the Company approved by The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or (iv) any scrip dividend scheme or similar arrangement implemented in accordance with the Bye-laws of the Company, shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this resolution, and the said approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

- (d) for the purposes of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by Bermuda law or the Company’s Bye-laws to be held; and
 - (iii) the date on which the authority set out in this resolution is revoked or varied by way of ordinary resolution of the Company in general meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company to holders of shares on the register of members 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 any relevant jurisdiction or the requirements of any recognised regulatory body or any stock exchange).”

B. “THAT:

- (a) the exercise by the Directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to purchase issued shares of HK\$0.10 each in the capital of the Company (“Shares”), subject to and in accordance with paragraph (c) below and all applicable laws, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall be in addition to any other authorisation given to the Directors of the Company and shall authorise the Directors on behalf of the Company during the Relevant Period (as defined below) to procure the Company to purchase its Shares at such prices as the Directors of the Company at their discretion may determine;
- (c) the aggregate nominal amount of Shares which are authorised to be purchased by the Directors of the Company pursuant to the approval in paragraph (a) shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of 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 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 Bermuda law or the Company’s Bye-laws to be held; and
 - (iii) the date on which the authority set out in this resolution is revoked or varied by way of ordinary resolution of the Company in general meeting.”

NOTICE OF ANNUAL GENERAL MEETING

- C. “**THAT** conditional upon the passing of Resolutions nos. 5A and 5B set out in the notice convening this meeting, the aggregate nominal amount of Shares which shall have been repurchased by the Company pursuant to and in accordance with Resolution no. 5B set out in the notice convening this meeting shall be added to the aggregate nominal amount of 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 no. 5A set out in the notice convening this meeting, provided that such additional amount shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this resolution.”

SPECIAL RESOLUTION

6. “**THAT** the existing Bye-laws of the Company be and are hereby amended in the following manner:

Bye-law 1

1. By inserting the following new definition of “associate” after the definition of “Act” in existing Bye-law 1:

““associate” the meaning attributed to it in the rules of the Designated Stock Exchange.”

2. By deleting the words “a recognised clearing house within the meaning of Section 2 of the Securities (Clearing Houses) Ordinance of Hong Kong or” from the definition of “clearing house” in Bye-law 1;

Bye-law 76

1. By re-numbering existing Bye-law 76 as Bye-law 76(1);

2. By inserting the following as new Bye-law 76(2):

“(2) Where the Company has knowledge that any Member is, under the rules of the Designated Stock Exchange, required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such Member in contravention of such requirement or restriction shall not be counted.”

Bye-law 88

By deleting the existing Bye-law 88 in its entirety and replacing therewith the following new Bye-law 88 :

- “88. No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a Notice signed by a Member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a Notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office or at the Registration Office provided that the minimum length of the period, during which such Notice(s) are given, shall be at least seven (7) days

NOTICE OF ANNUAL GENERAL MEETING

and that (if the Notice(s) are submitted after the dispatch of the notice of the general meeting appointed for such election) the period for lodgment of such Notice(s) shall commence on the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.”

Bye-law 103

By deleting the existing Bye-law 103 in its entirety and replacing therewith the following new Bye-law 103:

103. (1) A Director shall not vote (nor be counted in the quorum) on any resolution of the Board approving any contract or arrangement or any other proposal in which he or any of his associates is materially interested, but this prohibition shall not apply to any of the following matters namely:
- (i) any contract or arrangement for giving to such Director or his associate(s) any security or indemnity in respect of money lent by him or any of his associates or obligations incurred or undertaken by him or any of his associates at the request of or for the benefit of the Company or any of its subsidiaries;
 - (ii) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;
 - (iii) any contract or arrangement 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;
 - (iv) 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;
 - (v) any contract or arrangement 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 a shareholder in which the Director and any of his associates are not in aggregate beneficially interested in five (5) per cent or more of the issued shares or of the voting rights of any class of shares of such company (or any third company through which his interest or that of any of his associates is derived); or

NOTICE OF ANNUAL GENERAL MEETING

- (vi) any proposal or arrangement concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death or disability benefits scheme or other arrangement which relates both to directors, his associates and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director, or his associate(s), as such any privilege or advantage not accorded generally to the class of persons to which such scheme or fund relates.
- (2) A company shall be deemed to be a company in which a Director and/or his associate(s) owns five (5) per cent. or more if and so long as (but only if and so long as) he and/or his associates, (either directly or indirectly) are the holders of or beneficially interested in five (5) per cent. or more of any class of the equity share capital of such company or of the voting rights available to members of such company (or of any third company through which his interest or that of any of his associates is derived). For the purpose of this paragraph there shall be disregarded any shares held by a Director or his associate(s) as bare or custodian trustee and in which he or any of them has no beneficial interest, any shares comprised in a trust in which the interest of the Director or his associate(s) is/are in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust scheme in which the Director is interested only as a unit holder.
- (3) Where a company in which a Director and/or his associate(s) holds five (5) per cent. or more is materially interested in a transaction, then that Director and/or his associate(s) shall also be deemed materially interested in such transaction.
- (4) If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the chairman of the meeting) or as to the entitlement of any Director (other than such chairman) to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director concerned as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the chairman of the meeting such question shall be decided by a resolution of the Board (for which purpose such chairman shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman as known to such chairman has not been fairly disclosed to the Board.

Bye-law 154(2)

By deleting the words “fourteen (14)” and replacing therewith the words “twenty-one (21)” in existing Bye-law 154(2).

By Order of the Board
Tse Sau Wai
Company Secretary

Hong Kong, 15th June, 2004

NOTICE OF ANNUAL GENERAL MEETING

Registered Office:
Clarendon House
Church Street
Hamilton HM 11
Bermuda

*Head Office and Principal
Place of Business:*
Rooms 4902-8, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

The Directors as at the date of this notice are:

Executive Directors: Andrew Yao Cho Fai (*Chairman*); Miriam Yao Che Li; Johnson Ho Sai Hou; Fernando Dong Sai Ming

Non-executive Director: Shao You Bao

Independent non-executive Directors: Chow Yei Ching; Kenneth Ting Woo Shou; Harold Richard Kahler

Notes:

1. A member entitled to attend and vote at the above meeting is entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a member of the Company. In order to be valid, a form of proxy must be deposited with the Company Secretary at the head office and principal place of business of the Company at Rooms 4902-8, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, together with any power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of authority, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
2. The register of members of the Company will be closed from Friday, 6th August, 2004 to Wednesday, 11th August, 2004 (both dates inclusive) during which period no transfer of Shares can be registered. In order to qualify for the final dividend which, if approved, will be payable on or before 17th August, 2004, all transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Company's Hong Kong Share Registrars, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:00 p.m. (Hong Kong SAR time) on 5th August, 2004.
3. Under the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), the general mandate lapses unless it is renewed at each annual general meeting.
4. With respect to Resolutions nos. 5B and 5C, approval is being sought from shareholders for a general mandate to be given to the Directors to repurchase Shares and to issue Shares as a result of such repurchase. In accordance with the Listing Rules and the Code on Share Repurchases, an explanatory statement in connection with the general mandate to repurchase Shares, is included in the accompanying circular and will be despatched to shareholders and warrant holders together with the annual report for the year ended 31st March, 2004.