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**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in 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 KTP Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the 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.

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## **KTP HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 645)**

**PROPOSALS FOR RE-ELECTION OF DIRECTORS,  
GENERAL MANDATES TO ISSUE  
AND REPURCHASE SHARES,  
AMENDMENTS TO BYE-LAWS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening an annual general meeting of KTP Holdings Limited to be held at Block C, 1st Floor, Wong King Industrial Building, 2-4 Tai Yau Street, Sanpokong, Kowloon, Hong Kong on Monday, 21st August 2006 at 10:00 a.m. is set out on pages 13 to 19 of this circular. A form of proxy for use by the Shareholders at the Annual General Meeting is enclosed with the 2006 annual report of the Company which has been despatched to the Shareholders together with this circular. Whether or not you are able to attend the meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited of 46th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the annual general meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting at the annual general meeting or any adjourned meeting should you so wish.

18th July 2006

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## DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held on Monday, 21st August 2006 at 10:00 a.m. at Block C, 1st Floor, Wong King Industrial Building, 2-4 Tai Yau Street, Sanpokong, Kowloon, Hong Kong or any adjournment thereof
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company for the time being
“CG Code”	the Code on Corporate Governance Practice as set out in Appendix 14 of the Listing Rules
“Company”	KTP Holdings Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	17th July 2006, being the latest practicable date prior to printing of this circular for ascertaining certain information in this circular
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange
“Ordinary Resolutions”	the proposed ordinary resolutions as referred to the notice of AGM
“Registrar”	Computershare Hong Kong Investor Services Limited, the share branch registrar of the Company in Hong Kong at 46th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong

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## DEFINITIONS

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“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company
“Share Repurchase Rules”	the applicable provisions under the Listing Rules to regulate the repurchase by companies with primary listing on The Stock Exchange of their own securities on The Stock Exchange
“Shareholder(s)”	holder(s) of the Share(s)
“Special Resolution”	the proposed special resolution as referred to in the notice of AGM
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Codes”	The Hong Kong Codes on Takeovers and Mergers issued by the Securities and Futures Commission in Hong Kong

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## LETTER FROM THE BOARD

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### KTP HOLDINGS LIMITED

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 645)**

*Directors:*

Lee Chi Keung, Russell (*Chairman*)

Yu Mee See, Maria

\*Ng Wai Hung

\*Lee Siu Leung

\*Yuen Sik Ming

*\* Independent Non-Executive Directors*

*Registered office:*

Clarendon House

Church Street

Hamilton HM 11

Bermuda

*Head office and principal place of  
business in Hong Kong:*

Block C, 1st Floor

Wong King Industrial Building

2-4 Tai Yau Street

Sanpokong, Kowloon

Hong Kong

18th July 2006

*To the Shareholders*

Dear Sir or Madam,

**PROPOSALS FOR RE-ELECTION OF DIRECTORS,  
GENERAL MANDATES TO ISSUE  
AND REPURCHASE SHARES,  
AMENDMENTS TO BYE-LAWS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**I. INTRODUCTION**

The purpose of this circular is to provide you with information relating to the proposed resolutions at the Annual General Meeting so as to give you all information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolutions in relation thereto.

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## LETTER FROM THE BOARD

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The resolutions include (i) the re-election of Directors; (ii) the granting to the Directors of general mandates for the issue and repurchase of the Company's Shares up to 20% and 10% respectively of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the resolution; and (iii) the proposed amendments to the Bye-laws.

### II. RE-ELECTION OF DIRECTORS

At the AGM, Ms. Yu Mee See, Maria and Mr. Lee Siu Leung will retire as Directors by rotation and, being eligible, offer themselves for re-election in accordance with Bye-laws 87 and 88 of the Company's Bye-laws.

Particulars of Ms. Yu Mee See, Maria and Mr. Lee Siu Leung are set out in Appendix I to this circular.

### III. GENERAL MANDATES

#### (a) General Mandate to Repurchase Shares

Ordinary Resolution no. 5 will be proposed at the AGM to grant the Board a general and unconditional mandate to exercise all the powers of the Company to purchase an amount of Shares not exceeding 10 per cent. of the Company's issued share capital as at the date of such resolution, for the period until the conclusion of the next annual general meeting of the Company (or such earlier period as state in the resolution) ("Repurchase Mandate").

An explanatory statement required under the Share Repurchase Rules providing the requisite information in respect of the Repurchase Mandate is set out in Appendix II to this circular.

#### (b) General Mandate to Issue Shares

It will also be proposed at the AGM Ordinary Resolution no. 6 to grant the Board a general and unconditional mandate to allot, issue, grant, distribute and otherwise deal with additional Shares, not exceeding 20 per cent. of the Company's issued share capital as at the date of such resolution (as adjusted in accordance with the resolution), for the period until the conclusion of the next annual general meeting of the Company (or such earlier period as stated in the resolution) ("General Mandate"). Conditional upon the passing of Ordinary Resolutions nos. 5 and 6 to grant the Repurchase Mandate and the General Mandate, ordinary resolution no. 7 will be further proposed at the AGM granting authorization to the Board to exercise all powers to allot, issue, grant, distribute and otherwise deal with additional Shares under the General Mandate in respect of the aggregate nominal amount of share capital in the Company repurchased by the Company.

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## LETTER FROM THE BOARD

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### IV. AMENDMENT TO THE BYE-LAWS

In compliance with the CG Code which came into effective 1st January 2005 and the other requirements prescribed by the Listing Rules, the Company has reviewed its Bye-laws and considers that it is necessary to bring the Bye-laws in line with the latest amended Listing Rules. Details of the proposed amendments to the Bye-laws are set out in Appendix III to this circular.

### V. RIGHT TO DEMAND A POLL

Pursuant to Bye-law 66 of the existing Bye-laws, a resolution put to the vote of a meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand of a poll) a poll is demanded:

- (a) by the chairman of such meeting; or
- (b) by at least three (3) Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorized representative) or by proxy for the time being entitled to vote at the meeting; or
- (c) by a Shareholder or Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorized representative) or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or
- (d) by a Shareholder or Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorized representative) or by proxy and holding shares in the company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

### VI. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

A notice convening the AGM is set out on pages 13 to 19 to this circular. In addition to the ordinary business of the meeting, ordinary resolutions in respect of the general mandates to issue and repurchase Shares and a special resolution in respect of the amendments to the Bye-laws will be proposed at the AGM.

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## LETTER FROM THE BOARD

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A form of proxy is enclosed for use by shareholders at the AGM. Shareholders are requested to complete and return the form of proxy to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited of 46th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible, but in any event not less than 48 hours before the scheduled time of the AGM. The lodging of the form of proxy will not preclude the Shareholders from attending the AGM and voting in person should he/she so wish.

### VII. RECOMMENDATION

The Directors believe that the re-election of Directors, the proposals for Repurchase Mandate and the General Mandate as well as the proposal amendments to the Bye-laws are all in the best interests of the Company and its shareholders. Accordingly, the Directors recommend you to vote in favour of the resolutions to be proposed at the AGM.

### VIII. GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this circular. The English text of this circular shall prevail over the Chinese text.

Yours faithfully,  
On behalf of the Board  
**KTP Holdings Limited**  
**Lee Chi Keung, Russell**  
*Chairman*



*Particulars of retiring Directors subject to re-election at the AGM are set out below:*

**Yu Mee See, Maria (“Ms. Yu”)**

*Director*

Ms. Yu, aged 46, joined the Company in 2001 as an executive Director and the Group’s company secretary. She holds a bachelor degree from The London School of Economics and Political Science in the United Kingdom and is a fellow of Hong Kong Institute of Certified Public Accountants.

There is no director’s service contract between the Company and Ms. Yu. She has no fixed term of director’s service with the Company but will subject to the rotational retirement and re-election requirement at each AGM pursuant to the Bye-laws of the Company. The said service will be terminated by either party by three months notice. For the year ended 31st March 2006, Ms Yu received an emolument of HK\$5,000. Ms. Yu is entitled to a director’s fee to be determined by the Board or Shareholders, as appropriate, from time to time, as reference to her performance and the prevailing market condition.

She is the wife of Mr. Lee Chi Keung, Russell, the chairman of the Company. Save as disclosed, as at the Latest Practicable Date, Ms. Yu did not have any relationship with any other Director, senior management or substantial or controlling Shareholders of the Company.

As at the Latest Practicable Date, Ms. Yu is interested in 191,809,484 Shares within the meaning of Part XV of the SFO.

Save as disclosed herein, there is no other information to be disclosed pursuant to the requirement of Rule 13.51(2) of the Listing Rules and the Board is not aware of any other matters that need to be brought to the attention of the holders of Shares of the Company.

**Lee Siu Leung (“Mr. Lee”)***Director*

Mr. Lee, aged 40, joined the Company in 2000 as an independent non-executive Director. He is a fellow of The Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants. Save as disclosed above, Mr. Lee did not hold any other directorships in listed public companies during the past three years.

There is no director’s service contract between the Company and Mr. Lee. He has no fixed term of director’s service with the Company but will subject to the provisions of retirement and re-election at the annual general meetings of the Company in accordance with the Bye-Laws. The said service will be terminated by either party by three months notice. For the year ended 31st March 2006, Mr. Lee received an emolument of HK\$40,000. Mr. Lee is entitled to a director’s fee to be determined by the Board or Shareholders, as appropriate, from time to time, as reference to his performance and the prevailing market condition.

As at the Latest Practicable Date, Mr. Lee did not have any relationship with any Directors, senior management or substantial or controlling Shareholders of the Company, nor did he hold any other positions with the Company or any of its subsidiaries. As at the Latest Practicable Date, Mr. Lee did not have any interest in the securities of the Company within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Save as disclosed herein, there is no other information to be disclosed pursuant to the requirement of Rule 13.51(2) of the Listing Rules and the Board is not aware of any other matters that need to be brought to the attention of the holders of Shares of the Company.

*This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to the Shareholders to make an informal decision on whether to vote for or against the resolutions to be proposed at the AGM in relation to the Repurchase Mandate.*

## **1. SHARE CAPITAL**

As at the Latest Practicable Date, there were in issue an aggregate of 340,616,934 Shares. Exercise in full of the mandate, on the basis that no further Shares are issued or repurchased prior to the date of the AGM, could accordingly result in up to 34,061,693 Shares being repurchased by the Company. The mandate allows the Company to make or agree to make repurchases only during the period ending on the earliest of the date of the next annual general meeting, the date by which the next annual general meeting of the Company is required to be held by law and the date upon which such authority is revoked or varied.

## **2. REASON FOR REPURCHASE**

The Directors believe that the Repurchase Mandate is in the best interests of the Company and its Shareholders. Whilst it is not possible to anticipate in advance any specific circumstance in which the Directors might think it appropriate to repurchase Shares, they believe that an ability to do so would give the Company additional flexibility that would be beneficial to the Company and its Shareholders as such repurchases may, depending on market conditions and funding arrangements at that time, lead to an enhancement of the net asset value per Share and/or earnings per Share. Shareholders can be assured that the Directors would only make such purchase in circumstances where they consider them to be in the best interests of the Company.

## **3. FUNDING OF REPURCHASE**

The Company is empowered by its Memorandum of Association and Bye-laws to repurchase its Shares. Repurchases will be funded entirely from the funds legally available for that purpose. Bermudian law provides that the purchase of Shares may only be effected out of the capital paid up on the purchased Shares, the profits otherwise available for dividend or out of the proceeds of a new issue of Shares of the Company made for the purpose. Any amount of premium payable on the purchase over the par value of the shares of the Company to be purchased must be out of either the profits otherwise available for dividend or out of the Company's share premium account or out of contributed surplus. Such purchase may only be made if at least two directors by affidavit declare that taking into account the purchase, the Company is solvent or that its creditors have consented to the purchase.

On the basis of the consolidated financial position of the Company as at 31st March 2006 (being the date to which the latest published audited financial statements of the Company have been made up) and in particular the working capital position of the Company at that time and the number of Shares now in issue, the Directors consider that there might be a material adverse impact on the working capital position or the gearing position of the Company in the event that purchases of all the Shares the subject of the Repurchase Mandate were to be carried out in full during the Repurchase Mandate period. No purchase would be made in circumstances that would have a material adverse impact on the working capital position or the gearing position of the Company (as compared with the position disclosed in the latest published audited financial statements).

#### 4. UNDERTAKING

None of the Directors nor, to the best of the knowledge of the Directors having made all reasonable enquiries, any of the associates (as defined in the Listing Rules) of any of the Directors has any present intention, in the event that the proposal is approved by shareholders, to sell Shares to the Company.

No connected person, that is, a director, chief executive or substantial shareholder of the Company or its subsidiaries or their associates (as defined in the Listing Rules) of the Company has a present intention to sell Shares to the Company nor has he/she/it undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Company is authorized to make repurchases of Shares.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases pursuant to the proposed resolution in accordance with the Listing Rules, the laws of Hong Kong and all applicable laws of Bermuda, and in accordance with the regulations set out in the Memorandum of Association and By-laws of the Company.

#### 5. TAKEOVERS CODES

A repurchase of shares by the Company may result in an increase in the proportionate interests of a substantial shareholder of the Company in the voting rights of the Company, which could give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Hong Kong Codes on Takeovers and Mergers (the “Code”).

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, the aggregate shareholding of Wonder Star Securities Limited (“Wonder Star”) and its wholly-owned subsidiary, Top Source Securities Limited (“Top Source”), are approximately 56.31% of the issued share capital of the Company, are the substantial shareholders holding more than 10% of the issued share capital of the Company. Wonder

Star is wholly owned by Mr. Lee Chi Keung, Russell, the chairman of the Company. In the event that the Directors should exercise in full the power to repurchase Shares under the Repurchase Mandate, the aggregate shareholding of Wonder Star and Top Source in the Company would be increased to approximately 61.94% of the issued share capital of the Company. Such an increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Code. The Directors have no present intention to repurchase shares to such extent which will result in the amount of Shares held by the public of being reduced to less than 25%.

## 6. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange in each of the previous twelve months were as follows:

	Shares	
	Highest Traded price <i>HK\$</i>	Lowest Traded price <i>HK\$</i>
2005		
July	0.520	0.430
August	0.540	0.500
September	0.530	0.480
October	0.510	0.450
November	0.530	0.450
December	0.660	0.465
2006		
January	0.680	0.540
February	0.620	0.510
March	0.590	0.540
April	0.580	0.550
May	0.610	0.540
June	0.660	0.540
July (up to the Latest Practicable Date)	0.640	0.570

## 7. SHARES REPURCHASED MADE BY THE COMPANY

During each of the six months preceding the date of this circular, no Shares have been repurchased by the Company.

*Details of the proposed amendment to the Bye-laws are set out as follows:*

**1. Bye-law 66**

the existing Bye-law 66 be amended by:

- (i) inserting the words “voting by way of a poll is required by the rules of the Designated Stock Exchange or” after the words “a show of hands unless” in the second sentence of the Bye-law 66; and by deleting the full stop at the end of Bye-law 66(d) and replacing it with a semi-colon and inserting the word “or” after the semi-colon.
- (ii) inserting the following wording after Bye-law 66(d):
  - “(e) if required by the rules of the Designated Stock Exchange, by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five per cent. (5%) or more of the total voting rights at such meeting.”

**2. Bye-law 68**

the existing Bye-law 68 be amended by:

- (i) deleting the second sentence of Bye-law 68 in its entirety and substituting therefore the following:
  - “The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the rules of the Designated Stock Exchange.”

**3. Bye-law 86**

the existing Bye-law 86 be amended by:

- (i) deleting Bye-law 86(2) in its entirety and substituting therefor the following:
  - “(2) The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or, as an addition to the existing Board but so that the number of Directors so appointed shall not exceed any maximum number determined from time to time by the Members in general meeting. Any Director so appointed by the Board shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the following annual general meeting of the Company (in the case of an addition to the Board), and shall then be eligible for re-election at that meeting.”

- (ii) substituting the existing Bye-law 86(4) with the following new Bye-law 86(4):

“(4) Subject to any provision to the contrary in these Bye-laws the Members may, at any general meeting convened and held in accordance with these Bye-laws by ordinary resolution remove a Director at any time before the expiration of his period of office notwithstanding anything in these Bye-laws or in any agreement between the Company and such Director (but without prejudice to any claim for damages under any such agreement) provided that the Notice of any such meeting convened for the purpose of removing a Director shall contain a statement of the intention so to do and be served on such Director fourteen (14) days before the meeting and at such meeting such Director shall be entitled to be heard on the motion for his removal.”

**4. Bye-law 87**

the existing Bye-law be amended by:

- (i) substituting the existing Bye-law 87(1) with the following new Bye-law 87(1):

“(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.”

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## NOTICE OF ANNUAL GENERAL MEETING

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### KTP HOLDINGS LIMITED

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 645)**

**NOTICE IS HEREBY GIVEN** that an annual general meeting of KTP Holdings Limited (the “Company”) will be held on Monday, 21st August 2006 at 10:00 a.m. at Block C, 1st Floor, Wong King Industrial Building, 2-4 Tai Yau Street, Sanpokong, Kowloon, Hong Kong for the following purposes:

1. to receive and consider the audited financial statements and the reports of the directors and of the auditors for the year ended 31st March 2006;
2. to declare a final dividend;
3. to re-elect retiring directors pursuant to the existing bye-law 87 of the Company and to authorize the board of directors to fix the directors’ remuneration;
4. to re-appoint auditors of the Company and to authorize the board of directors to fix their remuneration;
5. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

**“THAT:**

- (a) subject to paragraph (b) of hereunder the exercise by the directors of the Company during the Relevant Period (as defined in paragraph (c) below) of all the powers of the Company to purchase shares of the Company, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company which may be purchased or agreed conditionally or unconditionally to be purchased pursuant to the approval in paragraph (a) above shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution, and the said approval be limited accordingly; and



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## NOTICE OF ANNUAL GENERAL MEETING

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(c) 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 the Bye-laws of the Company or any applicable law to be held; or
- (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting”;

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

**“THAT:**

- (a) subject to paragraphs (b) and (c) hereunder, the granting of an unconditional general mandate to the board of directors (the “Board”), during the Relevant Period (as defined in paragraph (d) below) to issue, allot and deal with additional shares in the capital of the Company, and to make or grant offers, agreements and options which would or might require shares in the capital of the Company, to be issued, allotted or dealt with, be and is hereby generally and unconditionally approved;
- (b) the unconditional general mandate under paragraph (a) above shall not extend beyond the Relevant Period save the Board may during the Relevant Period make or grant offers, agreement and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of shares in the capital of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Board otherwise than pursuant to:
  - (i) a Rights Issue (as defined in paragraph (d) below);
  - (ii) the exercise of options granted under any option scheme or similar arrangement for the time being adopted for the grant of issue of shares or rights to acquire shares in the capital of the Company to officers and/or employees of the Company and/or any of its subsidiaries; and

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## NOTICE OF ANNUAL GENERAL MEETING

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- (iii) any scrip dividend or similar arrangement providing for the allotment of shares in the share capital of the Company implemented in accordance with the byelaws of the Company,

shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of this resolution; and

- (d) for the purpose 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 Company’s Bye-laws or any applicable laws to be held; and
- (iii) the date on which the authority set out under this resolution is revoked or varied by an ordinary resolution of the Company’s shareholders in general meeting.

“Rights Issue” means the allotment, issue or grant of shares in the capital of the Company pursuant to an offer of shares open for a period fixed by the Directors made to holders of shares in the capital of the Company 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 exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in, or in any territory application to the Company).”; and

- 7. To consider as special business and if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** the aggregate number of shares in the capital of the Company which shall have been repurchased by the Company subsequent and pursuant to the passing of resolution no. 5 (up to a maximum of 10 per cent. of the issued shares at the date of passing resolution no. 5) shall be added to the aggregate number of shares that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company pursuant to resolution no. 6 above.”; and

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## NOTICE OF ANNUAL GENERAL MEETING

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8. By way of special business, to consider and, if thought fit, to pass the following resolution, with or without modification as a special resolution:

### SPECIAL RESOLUTION

“THAT:

the Bye-laws of the Company be amended as follows:

**a. Bye-law 66**

the existing Bye-law 66 be amended by:

- (i) inserting the words “voting by way of a poll is required by the rules of the Designated Stock Exchange or” after the words “a show of hands unless” in the second sentence of the Bye-law 66; and by deleting the full stop at the end of Bye-law 66(d) and replacing it with a semi-colon and inserting the word “or” after the semi-colon; and

- (ii) inserting the following wording after Bye-law 66(d):

“(e) if required by the rules of the Designated Stock Exchange, by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five per cent. (5%) or more of the total voting rights at such meeting.”

**b. Bye-law 68**

the existing Bye-law 68 be amended by:

- (i) deleting the second sentence of Bye-law 68 in its entirety and substituting therefor the following:

“The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the rules of the Designated Stock Exchange.”

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## NOTICE OF ANNUAL GENERAL MEETING

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**c. Bye-law 86**

the existing Bye-law 86 be amended by:

- (i) deleting Bye-law 86(2) in its entirety and substituting therefor the following:

“(2) The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or, as an addition to the existing Board but so that the number of Directors so appointed shall not exceed any maximum number determined from time to time by the Members in general meeting. Any Director so appointed by the Board shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the following annual general meeting of the Company (in the case of an addition to the Board), and shall then be eligible for re-election at that meeting.”

- (ii) substituting the existing Bye-law 86(4) with the following new Bye-law 86(4):

“(4) Subject to any provision to the contrary in these Bye-laws the Members may, at any general meeting convened and held in accordance with these Bye-laws by ordinary resolution remove a Director at any time before the expiration of his period of office notwithstanding anything in these Bye-laws or in any agreement between the Company and such Director (but without prejudice to any claim for damages under any such agreement) provided that the Notice of any such meeting convened for the purpose of removing a Director shall contain a statement of the intention so to do and be served on such Director fourteen (14) days before the meeting and at such meeting such Director shall be entitled to be heard on the motion for his removal.”

**d. Bye-law 87**

the existing Bye-law be amended by:

- (i) substituting the existing Bye-law 87(1) with the following new Bye-law 87(1):

“(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

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## NOTICE OF ANNUAL GENERAL MEETING

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that every Director shall be subject to retirement by rotation at least once every three years.”

By order of the Board  
**Yu Mee See, Maria**  
*Company Secretary*

Hong Kong, 18th July 2006

*Notes:*

- (1) Any member entitled to attend and vote at the 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.
- (2) A form of proxy for use at the meeting is enclosed herewith.
- (3) The instrument appointing a proxy must be in writing under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, either under its seal or under the hand of any officer, attorney or other person authorized to sign the same.
- (4) 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 certified copy of such power or authority, must be deposited at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 46th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
- (5) Completion and return of the form of proxy will not preclude a member from attending and voting in person at the meeting and in such event, the form of proxy will be deemed to be revoked.
- (6) Where there are joint holders of any Share, any one of such joint holders may vote, either in person 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 are present at the meeting, the most senior shall alone be entitled to vote, whether in person or by proxy. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joints holding.
- (7) The register of members will be closed from Tuesday, 15th August 2006 to Monday, 21st August 2006, both days inclusive, during which no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfer documents, accompanied by the relevant shares certificates, must be lodged with the Company's Hong Kong Branch Registrar, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later 4:00 p.m. on Monday, 14th August 2006.
- (8) In relation to resolution no. 5 above, the directors wish to state that they will exercise the powers conferred thereby to repurchase the shares in the Company in circumstances which they deem appropriate for the benefits of the shareholders. The Explanatory Statement containing the information necessary to enable shareholders to make an informed decision to vote on this resolution as required by the Listing Rules is set out in Appendix II to this circular.

*As at the date of this notice, the Board of the Company comprises Mr. LEE Chi Keung, Russell and Ms. YU Mee See, Maria as executive Directors and Mr. NG Wai Hung and Mr. LEE Siu Leung, Mr. YUEN Sik Ming as independent non-executive Directors.*