
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Golden Harvest Entertainment (Holdings) Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank manager, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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Golden Harvest

GOLDEN HARVEST ENTERTAINMENT (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1132)

**PROPOSED AMENDMENTS TO THE BYE-LAWS OF THE COMPANY
PROPOSED GENERAL MANDATES TO REPURCHASE
ITS OWN SHARES AND TO ISSUE NEW SHARES
RE-ELECTION OF PROPOSED DIRECTORS
AND
NOTICE OF THE ANNUAL GENERAL MEETING**

A notice convening an annual general meeting of the Company to be held at Ballroom B, 2nd Floor, Langham Hotel, Hong Kong, 8 Peking Road, Tsimshatsui, Kowloon, Hong Kong on Monday, 28 November 2005 at 3:00 p.m. is set out in Appendix IV on pages 13 to 18 of this circular. A form of proxy for use at the annual general meeting is also enclosed. Such form of proxy is also published on the website of the Stock Exchange (www.hkex.com.hk).

Whether or not you are able to attend the annual general meeting, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company’s share registrar in Hong Kong, Tengis Limited, at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the meeting if they so wish.

27 October 2005

Contents

	<i>Page</i>
Definitions	1
 Letter from the Board	
1. Introduction	3
2. Proposed amendments to the Bye-laws	4
3. Repurchase Mandate and Issue Mandate	5
4. Re-election of proposed Directors	5
5. Annual General Meeting and proxy arrangement	5
6. Recommendation	6
7. General information	6
8. Document available for inspection	6
 Appendix I – Explanatory statement on the Repurchase Mandate	 7
 Appendix II – Procedure for the Shareholders to demand a poll at a general meeting pursuant to the Bye-laws	 10
 Appendix III – Details of Directors proposed to be re-elected at the Annual General Meeting	 11
 Appendix IV – Notice of the Annual General Meeting	 13

Definitions

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

“Annual General Meeting”	the annual general meeting of the Company to be held at Ballroom B, 2nd Floor, Langham Hotel, Hong Kong, 8 Peking Road, Tsimshatsui, Kowloon, Hong Kong on Monday, 28 November 2005 at 3:00 p.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the annual general meeting as set out in Appendix IV on pages 13 to 18 of this circular, or any adjournment thereof;
“Board”	the board of Directors of the Company for the time being;
“Bye-laws”	the existing bye-laws of the Company;
“Company”	Golden Harvest Entertainment (Holdings) Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange;
“Director(s)”	director(s) of the Company;
“Group”	the Company and its subsidiaries from time to time;
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Issue Mandate”	as defined in paragraph 3(b) of the Letter from the Board;
“Latest Practicable Date”	24 October 2005, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Ordinary Resolutions”	the proposed ordinary resolutions as referred to in the notice of the Annual General Meeting;
“Repurchase Mandate”	as defined in paragraph 3(a) of the Letter from the Board;
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;

Definitions

“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	the Code on Takeovers and Mergers approved by the Securities and Futures Commission as amended from time to time.

Letter from the Board



GOLDEN HARVEST ENTERTAINMENT (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1132)

Executive Directors:

Raymond Chow Ting Hsing (*Chairman*)

Phoon Chiong Kit

David Chan Sik Hong

Roberta Chin Chow Chung Hang

Lau Pak Keung (*alternate to Phoon Chiong Kit*)

Registered Office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Non-executive Director:

Eric Norman Kronfeld

Principal Place of Business in Hong Kong:

16th Floor

The Peninsula Office Tower

18 Middle Road

Tsimshatsui

Kowloon

Hong Kong

Independent Non-executive Directors:

Paul Ma Kah Woh

Frank Lin

Prince Chatrichalerm Yukol

27 October 2005

*To the Shareholders and for information
only to the holders of share options*

Dear Sir or Madam,

**PROPOSED AMENDMENTS TO THE BYE-LAWS OF THE COMPANY
PROPOSED GENERAL MANDATES TO REPURCHASE
ITS OWN SHARES AND TO ISSUE NEW SHARES
RE-ELECTION OF PROPOSED DIRECTORS
AND
NOTICE OF THE ANNUAL GENERAL MEETING**

1. Introduction

The purpose of this circular is to provide the Shareholders with information in respect of the resolutions to be proposed at the Annual General Meeting for (i) the proposed amendments to the Bye-laws; (ii) the granting of the Repurchase Mandate to the Directors; (iii) the granting of the Issue Mandate to the Directors; (iv) the extension of the Issue Mandate by adding to it the aggregate number of the issued Shares repurchased by the Company under the Repurchase Mandate; and (v) the re-election of proposed Directors.

Letter from the Board

2. Proposed amendments to the Bye-laws

The Code on Corporate Governance Practices (the “CG Code”) contained in Appendix 14 of the Listing Rules, subject to certain transitional arrangements, came into effect on 1 January 2005. To align the Bye-laws of the Company with the requirements of the CG Code and the amendments to the Listing Rules on 31 March 2004, the Directors propose to seek approval from the Shareholders at the Annual General Meeting by way of a special resolution to amend the Bye-laws. A summary of the proposed amendments is set out as follows:

- (i) Bye-law 66 is amended to provide that the chairman of a general meeting and/or any Director(s) holding proxies representing 5% or more of the total voting rights at such meeting shall demand a poll when the meeting, on a show of hands, votes in the opposite manner to that instructed in those proxies. (CG Code provision E.2.1)
- (ii) Bye-law 68 is amended to require the chairman to disclose the voting figures on a poll. (Rule 13.39 of the Listing Rules)
- (iii) Bye-law 86 is amended to provide that (a) all Directors appointed to fill a casual vacancy shall be subject to election by the Shareholders at the first general meeting, instead of the next following annual general meeting after their appointment (CG Code provision A.4.2); and (b) election of each person as Director shall be voted upon by way of a separate resolution. (CG Code provision E.1.1)
- (iv) Bye-law 87 is amended to clearly provide that (a) every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years in accordance with the CG Code; (b) the Directors holding office as chairman or managing Director are also subject to retirement by rotation (CG Code provision A.4.2); and (c) a retiring Director shall continue to act as Director throughout the meeting at which he retires.
- (v) Bye-law 114 is amended to provide that the Board shall meet regularly and Board meetings shall be held at least 4 times a year and at least 14 days’ notice shall be given of a regular Board meeting to all Directors. (CG Code provisions A.1.1 & A.1.3)

The proposed amendments to the Bye-laws are stated in the proposed special resolution no. 4 in the notice convening the Annual General Meeting as set out in Appendix IV on pages 13 to 18 of this circular.

Letter from the Board

3. Repurchase Mandate and Issue Mandate

At the annual general meeting of the Company held on 12 November 2004, general mandates were given to the Directors to exercise the powers of the Company to repurchase Shares of the Company and to issue new Shares of the Company respectively. Such mandates will lapse at the conclusion of the Annual General Meeting.

Ordinary Resolutions will be proposed at the Annual General Meeting to approve the granting of new general mandates to the Directors:

- (a) to purchase Shares of an aggregate nominal amount of up to 10% of the aggregate nominal amount of the issued share capital of the Company on the date of passing of such resolution;
- (b) to issue, allot, or dispose of Shares of an aggregate nominal amount of up to 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of passing of such resolution; and
- (c) to extend the Issue Mandate by an amount representing the aggregate nominal amount of the Shares repurchased by the Company pursuant to and in accordance with the Repurchase Mandate.

The Repurchase Mandate and the Issue Mandate will continue to be in force until the conclusion of the next annual general meeting of the Company held after the Annual General Meeting or any earlier date as referred to in Ordinary Resolutions nos. 5 and 6.

In accordance with the requirements of the Listing Rules, the Company is required to send to each of the Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the granting of the Repurchase Mandate. The explanatory statement as required by the Listing Rules in connection with the Repurchase Mandate is set out in Appendix I of this circular.

4. Re-election of proposed Directors

In accordance with Bye-law 87 of the Bye-laws, Mr. David Chan Sik Hong and Prince Chatrichalerm Yukol, will retire as Directors, and being eligible, offer themselves for re-election at the Annual General Meeting. The details of Directors proposed to be re-elected at the Annual General Meeting are set out in Appendix III of this circular.

5. Annual General Meeting and proxy arrangement

The notice of the Annual General Meeting is set out in Appendix IV on pages 13 to 18 of this circular. At the Annual General Meeting, resolutions will be proposed to approve, inter alia, the proposed amendments to the Bye-laws, the granting of the Repurchase Mandate and the Issue Mandate, the extension of the Issue Mandate by the addition thereto of the number of Shares repurchased pursuant to the Repurchase Mandate and the re-election of proposed Directors. No Shareholder is required to abstain from voting at the Annual General Meeting.

Letter from the Board

A form of proxy for use at the Annual General Meeting is enclosed with this circular and such form of proxy is also published on the website of the Stock Exchange (www.hkex.com.hk). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority at the Company's share registrar in Hong Kong, Tengis Limited, at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the Annual General Meeting if you so wish.

6. Recommendation

The Directors consider that the proposed amendments to the Bye-laws, the granting of the Repurchase Mandate to the Directors, the granting/extension of the Issue Mandate to the Directors and the re-election of proposed Directors are in the interests of the Company and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

7. General information

Your attention is drawn to the additional information set out in Appendix I (Explanatory statement on the Repurchase Mandate), Appendix II (Procedure for the Shareholders to demand a poll at a general meeting pursuant to the Bye-laws), Appendix III (Details of Directors proposed to be re-elected at the Annual General Meeting) and Appendix IV (Notice of the Annual General Meeting) of this circular.

8. Document available for inspection

A copy of the Bye-laws will be available for inspection at the Company's principal place of business in Hong Kong at 16th Floor, The Peninsula Office Tower, 18 Middle Road, Tsimshatsui, Kowloon, Hong Kong during normal business hours from the date hereof up to and including the date of the Annual General Meeting.

Yours faithfully,
On behalf of the Board
Raymond CHOW Ting Hsing
Chairman

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

1. Reasons for share repurchase

Although the Directors have no present intention of repurchasing any Shares, they believe that the flexibility afforded by the Repurchase Mandate would be beneficial to the Company and its Shareholders. At any time in the future when Shares are trading at a discount to their underlying value, the ability of the Company to repurchase Shares will be beneficial to those Shareholders who retain their investment in the Company since the earnings per Share and their percentage interest in the assets of the Company would increase in proportion to the number of Shares repurchased by the Company. Repurchases will only be made when the Directors believe that such repurchases will benefit the Company and its Shareholders.

2. Share capital

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,330,309,375 Shares. Subject to the passing of the Ordinary Resolution no. 5, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 133,030,937 Shares, representing 10% of the issued share capital of the Company, on the basis that no further Shares will be issued or repurchased and no outstanding share options of the Company has been exercised prior to the date of the Annual General Meeting.

3. Funding of repurchases

Any repurchases will only be funded out of funds of the Company legally available for the purpose of making the proposed purchases in accordance with its Bye-laws and the laws of Bermuda. The Directors propose that repurchases of Shares under the Repurchase Mandate in these circumstances would be financed from the Company's distributable profits and proceeds of a fresh issue of Shares.

There might be material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the latest audited financial statements contained in the annual report 2005) in the event that the Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

4. Market prices of Shares

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous 12 months immediately preceding the Latest Practicable Date, were as follows:

	Price per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2004		
November	0.2740	0.2440
December	0.2660	0.2200
2005		
January	0.2700	0.2220
February	0.2800	0.2500
March	0.2800	0.2200
April	0.2650	0.2270
May	0.2850	0.2200
June	0.2600	0.2100
July	0.2600	0.2100
August	0.2500	0.2290
September	0.2400	0.2200
October (up to the Latest Practicable Date)	0.2450	0.1800

5. Disclosure of interests

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

The Directors are not aware of any consequences which will arise under the Takeovers Code as a result of any repurchases to be made under the Repurchase Mandate. However, if as a result of a repurchase 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 Takeovers Code. 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 Takeovers Code.

As at the Latest Practicable Date, Mr. Raymond Chow Ting Hsing, the chairman and a Director together with Planet Gold Associates Limited and Net City Limited, being companies which are wholly-owned by Mr. Chow, beneficially held in aggregate 313,121,527 Shares in the issued share capital of the Company (representing approximately 23.54% of the Company's issued share capital). If the powers of the Company to make repurchases under the Repurchase Mandate is exercised in full, Mr. Chow's direct and indirect interest in the issued share capital of the Company will be increased to 26.15%.

The Directors will not repurchase Shares if the repurchase would result in the number of the listed securities which are in the hands of the public falling below 25%, being the relevant minimum prescribed percentage for the Company as required by the Stock Exchange.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates presently intends to sell Shares to the Company under the Repurchase Mandate in the event that the Repurchase Mandate is approved 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, or that they have undertaken not to sell any Shares held by them to the Company in the event that the Repurchase Mandate is approved by the Shareholders.

6. Shares purchases made by the Company

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

The following paragraphs set out the procedure for the Shareholders to demand a poll at a general meeting of the Company (including the Annual General Meeting) pursuant to the Bye-laws.

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

- (a) the chairman of such meeting; or
- (b) at least three Shareholders present in person or, in the case of a Shareholder being a corporation, by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
- (c) a Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation, by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or
- (d) a Shareholder or Shareholders present in person or in the case of a Shareholder 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.

In compliance with the Listing Rules, any vote of shareholders at a general meeting will be taken on a poll where:

- (i) the chairman of the general meeting and/or the directors individually or collectively hold proxies in respect of shares representing 5% or more of the total voting rights at the general meeting, and the meeting, on a show of hands, votes in the opposite manner to that instructed in those proxies, unless it is apparent from the total proxies held that a vote taken on a poll will not reverse the vote taken on a show of hands;
- (ii) the meeting is to approve connected transactions;
- (iii) the meeting is to approve transactions that are subject to independent shareholders' approval pursuant to the Listing Rules;
- (iv) the meeting is to approve granting of options to a substantial shareholder or an independent non-executive director of the issuer, or any of their respective associates, as required under the Listing Rules; and
- (v) the meeting is to approve any other transactions in which a shareholder has a material interest and is therefore required to abstain from voting at the general meeting.

Pursuant to the Listing Rules, the details of the proposed Directors who will retire and offer themselves for re-election at the Annual General Meeting are provided below.

(1) Mr. David CHAN Sik Hong, aged 54, executive Director

Mr. David CHAN Sik Hong, holds a Bachelor's Degree in Art from St. John's University of Minnesota, US and a Master's Degree from the University of Kansas Graduate School of Radio-Television-Film, US. Mr. Chan joined the Golden Harvest Group in 1975. During his 30 years tenure with the Group, he has worked on 22 international films and over 100 Chinese films. Among his many screen credits, Mr. Chan was the producer of one of Hollywood's most successful independent screen series, "Teenage Mutant Ninja Turtles" and its two sequels, which grossed more than USD250 million in North America alone. He is a member of the Producers' Branch of the Academy of Motion Picture Arts and Sciences in America. Mr. Chan was appointed an executive Director by the Board on 31 July 2000. Mr. Chan is also a director of certain subsidiaries of the Company.

Mr. Chan has renewed the service contract with the Company for a further term of 3 years from 1 November 2004 to 31 October 2007. In addition, Mr. Chan is subject to retirement by rotation and re-election at annual general meetings of the Company pursuant to the Bye-laws. Mr. Chan's annual remuneration is HK\$2,000,000 and he is entitled to a producer fee of HK\$250,000 per film. Such amount of emoluments is determined by reference to his duties and responsibilities with the Company. He is not entitled to receive any bonus.

Mr. Chan has not held directorships in any other listed public companies in the last three years. He is not connected with any other directors, senior management, substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Chan is interested in 12,109,375 Shares within the meaning of Part XV of the SFO. Save as disclosed, he does not have any interest (within the meaning of Part XV of the SFO) in the Shares of the Company.

(2) Prince Chatrichalerm YUKOL, aged 63, independent non-executive Director

Prince Chatrichalerm YUKOL, attended the prestigious Geelong Grammar School in Australia where he completed his high school education. Thereafter he continued his tertiary education at UCLA in California where he gained a Bachelor's Degree in Geology. In 2000, Prince Chatrichalerm was awarded a Honorary PhD in Mass Communications from Thammasart University in Thailand.

After his graduation, Prince Chatrichalerm embarked on his filmmaking career by working on a number of his father's films. In 1972, Prince Chatrichalerm made his first feature film as a director, and has since made a total of 24 feature films. His last film, "Suriyothai" (2001) gained international acclaim, and was the subject of collaboration with Francis Ford Coppola, who re-edited the film for international release.

Prince Chatrichalerm has served on many advisory panels on Thai film, and was honored with the "National Artist" award for his services to the film industry in Thailand. Prince Chatrichalerm was appointed an independent non-executive Director and a member of the audit committee of the Company by the Board on 18 October 2002. Save as disclosed herein, he does not hold any position in any member of the Group.

As at the Latest Practicable Date, Prince Chatrichalerm has not entered into any service contract with the Company. He is subject to retirement by rotation and re-election at annual general meetings of the Company pursuant to the Bye-laws. Prince Chatrichalerm will be entitled to a director's fee in the amount of HK\$100,000 per annum which is determined by reference to his duties as an independent non-executive Director and an audit committee member of the Company. He is not entitled to receive any bonus.

Prince Chatrichalerm has not held directorships in any other listed public companies in the last three years. He is not connected with any other directors, senior management, substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Prince Chatrichalerm is interested in 350,000 Shares within the meaning of Part XV of the SFO. Save as disclosed, he does not have any interest (within the meaning of Part XV of the SFO) in the Shares of the Company.

Save as disclosed above, the Board is not aware of any matters relating to the above proposed re-elections that need to be brought to the attention of the Shareholders of the Company.

**GOLDEN HARVEST ENTERTAINMENT (HOLDINGS) LIMITED**

(Incorporated in Bermuda with limited liability)

(Stock Code: 1132)

NOTICE IS HEREBY GIVEN that an annual general meeting of Golden Harvest Entertainment (Holdings) Limited (the “Company”) will be held at Ballroom B, 2nd Floor, Langham Hotel, Hong Kong, 8 Peking Road, Tsimshatsui, Kowloon, Hong Kong on Monday, 28 November 2005 at 3:00 p.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements and the reports of the Directors and of the auditors for the year ended 30 June 2005.
2. To re-elect Directors, to authorise the Board to fix Directors’ remuneration, to set a maximum number of Directors and to authorise the Board to appoint additional Directors up to the maximum number set.
3. To re-appoint Messrs Ernst & Young as auditors and to authorise the Directors to fix their remuneration.
4. As special business, to consider and, if thought fit, pass the following resolution as a Special Resolution:

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

(a) Bye-law 66

1. By inserting the words “voting by way of a poll is required by the listing rules of any Designated Stock Exchange or” after the words “on a show of hands unless” in the third sentence of Bye-law 66.
2. By deleting the full-stop at the end of Bye-law 66(d) and replacing therewith a semi-colon and the word “or” immediately thereafter and by inserting the following as new Bye-law 66(e):

“(e) if required by the listing rules of any 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.”

3. By adding the following new Bye-law 66A immediately after the existing Bye-law 66:

“66A. Notwithstanding any other provisions of these Bye-laws:

- (a) if the aggregate proxies held by (i) the chairman of a particular meeting, and (ii) the Directors, account for five per cent (5%) or more of the total voting rights at that meeting, and
- (b) if on a show of hands in respect of any resolution, the shareholders at the meeting vote in the opposite manner to that instructed in the proxies referred to in (a) above,

the chairman of the meeting and/or any Director holding the proxies referred to above shall demand a poll. However, if it is apparent from the total proxies held by the persons referred to in (a) above that a vote taken on a poll will not reverse the vote taken on a show of hands, then no poll shall be required pursuant to this Bye-law.”

(b) Bye-law 68

By substituting the existing Bye-law 68 with the following new Bye-law 68:

“68. If a poll is duly demanded, the results of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman of the meeting shall announce the results of the poll in accordance with the requirements of the Designated Stock Exchange.”

(c) Bye-law 86

1. By substituting the existing Bye-law 86(2) with the following new Bye-law 86(2):

“(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, subject to authorisation by the Members in a general meeting, 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 a general meeting. Any Director so appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the first general meeting of the Company after his or her appointment and shall then be eligible for re-election at that meeting.”

2. By adding the following new Bye-law 86(7) immediately after the existing Bye-law 86(6):

“(7) Election of each person as Director shall be voted upon by way of a separate resolution.”

(d) Bye-law 87

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

“(1) Unless and until the Company in a general meeting shall otherwise determine, at each annual general meeting one-third ($\frac{1}{3}$) of the Directors for the time being (or, if their number is not three (3) or a multiple of three (3), the number nearest to but not less than one-third ($\frac{1}{3}$)) shall retire from office by rotation provided that every Director (including those appointed for a specific term or holding office as chairman or managing Director) shall be subject to retirement by rotation at least once every three years or within such other period as the Designated Stock Exchange may from time to time prescribe or within such other period as the laws of such jurisdiction applicable to the Company.”

2. By inserting the words “and shall continue to act as Director throughout the meeting at which he retires” at the end of the first sentence of Bye-law 87(2).
3. By inserting the words “or at a general meeting other than the annual general meeting of the Company” after the words “appointed pursuant to Bye-law 86(2)” in the last sentence of Bye-law 87(2).

(e) Bye-law 114

By substituting the existing Bye-law 114 with the following new Bye-law 114:

“114. The Directors shall meet regularly together for the despatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit. Unless otherwise determined by the Board, Board meetings shall be held at least four times a year at approximately quarterly intervals (“Regular Board Meetings”). For Regular Board Meetings, notice of at least 14 days or of such length of time as the Designated Stock Exchange may from time to time prescribe or as required under the laws of such jurisdiction applicable to the Company shall be given to allow all Directors an opportunity to attend. For all other Board meetings, reasonable notice shall be given. Questions arising at any meeting shall be determined by a majority of votes.”

and

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

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

“THAT

- (a) the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to purchase its shares, subject to and in accordance with the applicable laws, be and is hereby generally and unconditionally approved;
- (b) the total nominal amount of the shares to be purchased pursuant to the approval in paragraph (a) above shall not exceed 10% of the total nominal amount of the share capital of the Company in issue on the date of passing of this Resolution, and the said approval shall be limited accordingly; and
- (c) for the purpose of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders in general meeting; and
 - (iii) 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 laws to be held.”

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

“THAT

- (a) the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to issue, allot and dispose of additional shares of the Company and to make or grant offers, agreements and options which would or might require shares to be allotted, issued or disposed of during or after the end of the Relevant Period (as defined below), be and is hereby generally and unconditionally approved, provided that, otherwise than pursuant to a rights issue where shares are offered to shareholders on a fixed record date in proportion to their then holdings of shares (subject to such exclusions 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 any territory outside Hong Kong) or 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, the total nominal amount of additional shares issued, allotted, disposed of or agreed conditionally or unconditionally to be issued, allotted or disposed of (whether pursuant to an option or otherwise) shall not in total exceed 20% of the total nominal amount of the share capital of the Company in issue on the date of passing of this Resolution and the said approval shall be limited accordingly; and

- (b) for the purpose 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 revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders in general meeting; and
 - (iii) 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 laws to be held.”

7. As special business, to consider and, if thought fit, pass, with or without amendments, the following resolution as an Ordinary Resolution:

“**THAT** the general mandate granted to the Directors of the Company pursuant to the resolution set out as Ordinary Resolution no. 6 in the notice convening this meeting and for the time being in force to exercise the powers of the Company to issue, allot and otherwise dispose of additional shares and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby extended by an amount representing the total nominal amount of the share capital of the Company which has been repurchased by the Company since the granting of such general mandate referred to in the resolution set out as Ordinary Resolution no. 5 in the notice convening this meeting pursuant to the exercise by the Directors of the Company of the powers of the Company to purchase such shares, provided that such amount shall not exceed 10% of the total nominal amount of the share capital of the Company in issue on the date of passing of this Resolution.”

By order of the Board
LEE So Ching
Company Secretary

Hong Kong, 27 October 2005

Notes:

- (a) A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on his behalf. A proxy need not be a member of the Company.
- (b) The instrument appointing a proxy and 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 lodged with the Company's share registrar in Hong Kong, Tengis Limited, at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the meeting or any adjournment thereof.
- (c) The proposed maximum number of Directors under resolution no. 2 is not more than 20, which is to reconfirm the existing maximum number. Resolution no. 2 above will permit the Directors of the Company to appoint additional Directors up to the maximum number so determined.