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## IMPORTANT

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### **LERADO GROUP (HOLDING) COMPANY LIMITED**

**(隆成集團(控股)有限公司)\***

*(incorporated in Bermuda with limited liability)*

(Stock Code: 1225)

*Directors:*

Mr. Huang Ying Yuan (*Chairman*)  
Mr. Chen Hsing Shin (*Vice Chairman*)  
Madam Huang Chen Li Chu (*Vice Chairman*)  
Mr. Chen An-Hsin  
Mr. Leung Man Fai  
Mr. Lim Pat Wah Patrick\*\*  
Mr. Ng Kwun Wan\*\*

\*\* *independent non-executive directors*

*Registered Office:*

Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

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

Unit 18, 17th Floor  
China Merchants Tower  
Shun Tak Centre  
168-200 Connaught Road Central  
Hong Kong

27th April, 2004

*To the shareholders*

Dear Sir or Madam,

### **GENERAL MANDATES TO ISSUE NEW SHARES AND REPURCHASE SHARES AND RE-ELECTION OF RETIRING DIRECTORS AND AMENDMENT OF BYE-LAWS**

#### **INTRODUCTION**

At the annual general meeting (“the AGM”) of Lerado Group (Holding) Company Limited (“the Company”) to be held at Huashan Room, 5/F., Island Shangri-La Hotel, Pacific Place,

\* *for identification purposes only*

Supreme Court Road, Central, Hong Kong on 20th May, 2004 at 2:30 p.m., resolutions will be proposed to approve (i) the grant of general mandate to issue new shares and repurchase shares of the Company and (ii) the amendment of Bye-laws of the Company to reflect the recent amendments to Appendix 3 to the Rules (the “Listing Rules”) Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) effective 31st March, 2004.

### **GENERAL MANDATE TO ISSUE NEW SHARES**

It will be proposed at the AGM two ordinary resolutions respectively granting to the directors a general mandate to allot, issue and deal with new shares of the Company not exceeding 20% of the share capital of the Company in issue on the date of the resolution and adding to such general mandate so granted to the directors any shares representing the aggregate nominal amount of the shares repurchased by the Company after the granting of the below repurchase mandate in order to provide flexibility for issuing new shares when it is in the interests of the Company.

### **GENERAL MANDATE TO REPURCHASE SHARES**

An ordinary resolution will be proposed to renew the granting to the Directors of a general mandate, in the terms set out in the notice of AGM (the “Buyback Mandate”), allowing the Company to repurchase its own shares up to a limit of 10 per cent in aggregate of the Company’s issued share capital (the “Maximum Number of Shares”) at the date of passing the resolution 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. This will allow the Company to repurchase its own shares, inter alia, on-market in accordance with the Listing Rules.

### **RE-ELECTION OF RETIRING DIRECTORS**

Pursuant to Bye-law 87 of the Company’s Bye-laws, Madam Huang Chen Li Chu and Mr. Ng Kwun Wan will retire from office as directors at the AGM and being eligible, offer themselves for re-election. Set out below are the details of the directors proposed to be re-elected:

**Madam Huang Chen Li Chu**, aged 54, was appointed as an executive director of the Company in November 1998. Madam Huang has worked in the infant products industry in Taiwan for over 25 years and had established her own research and development company whose operations were acquired by the Group in early 1998. Since then, Madam Huang has been in charge of the Group’s research and development operations.

Madam Huang is the wife of Mr. Huang Ying Yuan, chairman of the Company. Save as mentioned, Madam Huang does not have any relationship with any directors, senior management, substantial or controlling shareholders of the Company. In accordance with the meaning of PART XV of the Securities and Futures Ordinance (the “SFO”), Madam Huang was interested in 46,336,180 shares and underlying shares in the Company in her personal

interest and 108,153,360 shares and underlying shares in her spouse's interest, representing approximately 6.4% and 15.0% respectively in the issued share capital of the Company as at 21st April, 2004 (the "Latest Practicable Date").

The amount of director's remuneration specified in the service contract between Madam Huang and the Company includes a basic remuneration and a discretionary bonus, both to be determined by the Board. According to the service contract, the annual increment of basic remuneration shall not exceed ten per cent. of the then current annual basic remuneration. The discretionary bonus is determined by the Board in its absolute discretion provided that the total amount of discretionary bonuses payable to all the executive directors of the Company shall not exceed ten per cent. of the audited consolidated net profit after taxation and minority interests but before extraordinary items of the Group for that financial year. Total basic remuneration and discretionary bonus that Madam Huang was entitled amounted to HK\$1,482,000 and HK\$1,667,000 respectively for the year ended 31st December, 2003.

The remuneration of directors is determined by reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions.

**Mr. Ng Kwun Wan**, aged 40, was appointed as an independent non-executive director of the Company in August 2000. Mr. Ng is currently a director of Easecorp Enterprises Limited and was from 31st January, 2002 to 23rd September, 2002 a director of Companion Building Material (Holdings) Limited. Mr. Ng graduated from University of New South Wales with a master's degree in professional accounting. He is also an associate member of each of the Australian Society of Certified Practising Accountants and the Hong Kong Society of Accountants, and he has over 13 years of experience in accounting and corporate finance.

At the Latest Practicable Date, Mr. Ng did not have any interest in the shares of the Company within the meaning of PART XV of the SFO nor did he have any relationship with any directors, senior management, substantial or controlling shareholders of the Company. There is no service contract between Mr. Ng and the Company. Mr. Ng is entitled to a director's fee as determined by the Board. Total director's fee paid to Mr. Ng for the year ended 31st December, 2003 amounted to HK\$130,000.

#### **AMENDMENT OF BYE-LAWS**

The Stock Exchange has announced amendments to the Listing Rules which include, among other things, amendments to Appendix 3 of the Listing Rules that came into effect on 31st March, 2004. Such amendments to Appendix 3 of the Listing Rules require a listed issuer's articles of association/bye-laws to conform with certain provisions. The Directors therefore propose to amend the current Bye-laws to ensure compliance with the amended provisions of the Listing Rules in the following aspects:—

- (i) Clause 66 of the current Bye-laws shall be amended to the effect that where the Company has knowledge that any Shareholder is, under the Listing Rules, 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 Shareholder in contravention of such requirement or restriction shall not be counted;

- (ii) Clause 88 of the current Bye-laws shall be amended to the effect that the minimum length of the period during which the notice to the Company of the intention to propose a person for election as a Director and during which the notice to the Company by such person of his willingness to be elected are given shall be at least 7 days and that the period for lodgement of the aforesaid notices shall commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than 7 days prior to the date of such general meeting; and
- (iii) Clause 103 of the current Bye-laws shall be amended to the effect that a Director shall not vote on any board resolution approving any contract or arrangement or any other proposal in which he or any of his associates (as defined in the Listing Rules) has a material interest nor shall he be counted in the quorum present at such board meeting (subject to certain exceptions acceptable to the Stock Exchange).

With the repeal of the Securities and Futures (Clearing Houses) Ordinance and the enactment of the SFO on 1st April, 2003, it is also proposed that the definition of “clearing house” under Bye-law 1 shall be amended such that its reference to the Securities and Futures (Clearing Houses) Ordinance shall be deleted.

#### **NOTICE OF ANNUAL GENERAL MEETING**

Notice of the AGM is set out in Appendix II to this circular. It is the intention of the Company to take poll on every resolution to be put to vote at the AGM. The procedure for demanding a poll is set out in Appendix III. A proxy form for use at the meeting is enclosed herewith. Whether or not you intend to attend the AGM, you are requested to complete the proxy form and return it to the branch share registrar of the Company not less than 48 hours before the time appointed for the holding of the meeting or the adjourned meeting (as the case may be). Completion and return of a proxy form will not preclude shareholders from attending and voting at the meeting and at any adjournment thereof if they so wish.

#### **RECOMMENDATION**

The Directors recommend the proposals to all Shareholders for their favourable consideration and urge them to vote in favour of the resolutions set out in the notice of AGM as they intend to do themselves in respect of their own holdings.

On behalf of the Board  
**Huang Ying Yuan**  
*Chairman*

*The following is the explanatory statement required by the Listing Rules concerning the regulation of purchase by companies of their own securities on the Stock Exchange to provide Shareholders with all the information reasonably necessary for them to make an informed decision on whether to vote for or against the resolution to approve the repurchase by the Company of its own shares.*

## **SHARE CAPITAL**

As the Latest Practicable Date, the issued share capital of the Company comprised of 722,838,724 ordinary shares of HK\$0.10 each.

Exercise in full of the Buyback Mandate, on the basis that no further shares are issued or repurchased prior to 20th May, 2004, being the date of the AGM, could accordingly result in up to 72,283,872 shares being repurchased by the Company during the course of the period from 20th May, 2004 to the earliest of (i) the date of the 2005 annual general meeting, (ii) the date by which the next annual general meeting of the Company is required to be held by law and (iii) the date upon which such authority is revoked or varied.

Concerning Ordinary Resolution numbered 5, the Directors wish to state that they have no immediate plans to repurchase shares of the Company. Approval is being sought from the Shareholders as a general mandate for the purposes of the applicable laws of Bermuda and the Listing Rules only.

## **REASONS FOR REPURCHASES**

The Directors believe that it is in the best interests of the Company and its Shareholders to seek a general authority from Shareholders to enable the Directors to purchase shares of the Company in the market. Such purchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings per share and will only be made when the Directors believe that such a purchase will benefit the Company and its Shareholders.

## **FUNDING OF REPURCHASES**

Pursuant to the Buyback Mandate, repurchases would be funded entirely from the Company's available cash flow or working capital facilities derived from the distributable profits of the Company which would otherwise be available for dividend or other distributions which will be funds legally available for the purpose in accordance with the Company's Bye-laws and the applicable laws of Bermuda.

On the basis of the consolidated financial position of the Company as at 31st December, 2003 (being the date to which the latest published financial statements of the Company have been made up), the Directors consider that the exercise in full of the Buyback Mandate to repurchase shares might have a material adverse impact on the working capital position or gearing position of the Company as compared with its position as at 31st December, 2003. No purchase would be made in circumstances that might have a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the latest published audited financial statements) unless the Directors considered that such purchase will benefit the Company and its Shareholders in the sense of enhanced net asset value and improved earnings per share.

#### **DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS**

None of the Directors nor, to the best of the knowledge and belief of the Directors having made all reasonable enquires, any of the associates of any of the Directors has any present intention, in the event that the proposed Buyback Mandate is approved by the Company's shareholders, to sell Shares to the Company or its subsidiaries.

No connected person of the Company (as defined in the Listing Rules) has notified the Company that he/she has a present intention to sell Shares to the Company nor has he/she undertaken not to sell any of the Shares held by him/her to the Company in the event that the Company is authorised to make repurchases of Shares.

#### **UNDERTAKING OF THE DIRECTORS**

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchase pursuant to the Buyback Mandate and in accordance with the Listing Rules, the Bye-laws of the Company and the applicable laws of Hong Kong and Bermuda respectively.

**SHARE PRICES**

No repurchase of Shares has been made by the Company during the previous six months whether on the Stock Exchange or otherwise.

The highest and lowest traded prices for the Shares on the Stock Exchange during the previous twelve months preceding the Latest Practicable Date are as follows:—

<b>Month</b>	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2003</b>		
April	1.26	1.13
May	1.33	1.18
June	1.39	1.28
July	1.45	1.30
August	1.41	1.30
September	1.47	1.21
October	1.52	1.30
November	1.55	1.37
December	1.59	1.46
<b>2004</b>		
January	1.63	1.49
February	1.72	1.57
March	1.60	1.43

**EFFECT OF TAKEOVERS CODE**

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 Code on Takeovers and Mergers (“the Takeovers Code”). The Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any purchases made pursuant to the Buyback Mandate.

In the case where the Maximum Number of Shares are repurchased, the percentage of shareholdings of the substantial shareholders in the Company will be as follows:

<b>Substantial shareholders</b>	<b>Percentage of shareholdings as at the Latest Practicable Date</b>	<b>Percentage of shareholdings as if the Maximum Number of Shares are repurchased</b>
Huang Ying Yuan ( <i>Note</i> )	14.4%	16.0%
Chen Hsing Shin	13.4%	14.9%
Huang Chen Li Chu ( <i>Note</i> )	6.0%	6.7%

*Note:* Ms. Huang Chen Li Chu is the wife of Mr. Huang Ying Yuan. The percentages above indicate their respective shareholdings individually.



**LERADO GROUP (HOLDING) COMPANY LIMITED****(隆成集團(控股)有限公司)\****(incorporated in Bermuda with limited liability)*

(Stock Code: 1225)

**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** the Annual General Meeting of LERADO GROUP (HOLDING) COMPANY LIMITED (“the Company”) will be held at Huashan Room, 5/F., Island Shangri-La Hotel, Pacific Place, Supreme Court Road, Central, Hong Kong on 20th May, 2004 at 2:30 p.m. for the following purposes:—

1. To receive and consider the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors and auditors for the year ended 31st December, 2003.
2. To declare a final dividend for the year ended 31st December, 2003.
3. To re-elect the retiring directors and to authorise the Board of Directors to fix the directors’ remuneration for the year ending 31st December, 2004.
4. To re-appoint auditors and to authorise the Board of Directors to fix their remuneration.
5. As special business, to consider and if thought fit, pass the following resolutions as Ordinary Resolutions:—

A. **“THAT:**

- (a) subject to sub-paragraph (c) of this Resolution, the exercise by the directors of the Company during the relevant period of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options, including bonds, warrants and debentures convertible into shares of the Company, which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in sub-paragraph (a) above shall authorise the directors of the Company during the relevant period to make or grant offers, agreements and options, including bonds, warrants and debentures convertible into shares of the Company, which might require the exercise of such powers after the end of the relevant period;

\* *for identification purposes only*

- (c) the aggregate nominal amount of the share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors pursuant to the approval in sub-paragraph (a) of this Resolution, otherwise than pursuant to (i) a Rights Issue (as defined below), (ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company, (iii) the exercise of options under any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees, etc. of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company or (iv) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of the cash payment for a dividend on shares of the Company in accordance with the Bye-laws of the Company, shall not exceed twenty per cent of the aggregate nominal amount of the issued share capital of the Company, and this approval shall be limited accordingly; and
- (d) for the purpose of this Resolution:

“relevant period” means the period from the passing of this Resolution until 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 law 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 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 on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of or the requirements of any recognised regulatory body or any stock exchange).”

B. “**THAT**:

- (a) subject to sub-paragraph (b) below, the exercise by the directors of the Company during the relevant period of all the powers of the Company to purchase its own securities, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the shares to be repurchased by the Company pursuant to sub-paragraph (a) of this resolution during the relevant period shall not exceed 10 per cent of the shares of the Company in issue at the date of this Resolution; and
- (c) 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 law 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 in general meeting.”

C. “**THAT**, conditional upon Resolutions 5A and 5B in the notice convening this meeting being passed, the aggregate nominal amount of number of shares which are repurchased by the Company after this resolution becoming effective (up to maximum of 10 per cent of the issued share capital of the Company in issue at the date of this resolution) shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to Resolution 5A in the said notice referred to above.”

6. 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 1

- (i) By adding the following definition after the definition of “Act”:

“associate” has the meaning ascribed to it under the rules of the Designated Stock Exchange.

- (ii) By deleting the definition of “clearing house” in its entirety and replacing therefor the following:

““clearing house” a recognised clearing house within the meaning of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and any amendments thereto for the time being in force or a clearing house or authorised shares depository recognised by the law of jurisdiction in which the shares of the Company are listed or quoted on a stock exchange in such jurisdiction”;

- B. By re-numbering the existing Bye-law 66 as Bye-law 66(1) and inserting the following new Bye-law 66(2) immediately after the re-numbered Bye-law 66(1):

‘66.(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.’

- C. By deleting the existing Bye-law 88 in its entirety and substituting therefor a new Bye-law 88 as follows:

‘88. No person other than a Director retiring at the meeting shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting unless a notice in writing of the intention to propose such person for election as a Director, signed by a Member (other than the person to be proposed for election as a Director) duly qualified to attend and vote at the meeting for which such notice is given, and a notice in writing signed by such person of his willingness to be elected shall have been lodged at the head office or principal office. The minimum length of the period during which such notices are given shall be at least seven (7) days and the period for lodgement of such notices shall commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.’

D. By deleting the existing Bye-law 103 in its entirety and substituting therefor a new Bye-law 103 as follows:

'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 associate(s) is materially interested, but this prohibition shall not apply to any of the following matters namely:

- (a) any contract or arrangement for the giving by the Company 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;
- (b) 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/have himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (c) 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;
- (d) 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;
- (e) any contact 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 or in which the Director or his associate(s) is/are beneficially interested in shares of that company other than a company in which the Director and/or his associate(s) is/are 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 of any third company through which his interest or that of any of his associate(s) is derived); or

- (f) any proposal 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 to the employees 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) own(s) 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) is/are the holder(s) 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 and/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 authorized unit trust scheme in which the Director and/or his associate(s) is/are interested only as a unit holder and any shares which carry no voting right at general meetings and very restrictive dividend and return of capital right.
  - (3) Where a company in which a Director and/or his associate(s) hold(s) 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 his associate(s) 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 or his associate(s) shall be final and

conclusive except in a case where the nature or extent of the interest of the Director and/or his associate(s) 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.”

By order of the Board  
**Kwok Wai Lok**  
*Company Secretary*

Hong Kong, 27th April, 2004

*Notes:*

- (1) Any member of the Company entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Company. A member who is the holder of two or more shares of the Company may appoint more than one proxy to represent him to attend and vote on his behalf. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
- (2) To be effective, a form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, must be deposited at the Company's branch share registrar in Hong Kong, Secretaries 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 of the meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a Member of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (3) The register of members of the Company will be closed from Monday, 17th May, 2004 to Wednesday, 19th May, 2004 (both days inclusive) during which period no transfer of shares of the Company will be registered. In order to qualify for the entitlement to the proposed final dividend for the year ended 31st December, 2003 and for attending and voting at the above meeting, unregistered holders of shares of the Company should ensure that all transfers of shares accompanied by the relevant share certificates and appropriate transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Secretaries Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, for registration not later than 4:00 p.m. on 14th May, 2004.
- (4) Where there are joint holders of any share of the Company, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he 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, and for this purpose seniority shall be determined by the order in which the names stand in the register in respect of the joint holding.

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

- (i) by the Chairman; or
- (ii) 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
- (iii) by any 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 the Members having the right to vote at the meeting; or
- (iv) by any 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 the shares conferring that right.





**LERADO GROUP (HOLDING) COMPANY LIMITED**

**(隆成集團(控股)有限公司)\***

*(incorporated in Bermuda with limited liability)*

(Stock Code: 1225)

**Form of proxy for use at the Annual General Meeting (or any adjournment thereof)**

I/We<sup>1</sup> \_\_\_\_\_  
of \_\_\_\_\_  
being the registered holder(s) of<sup>2</sup> \_\_\_\_\_ Shares of HK\$0.10 each in the capital of  
LERADO GROUP (HOLDING) COMPANY LIMITED (“the Company”), **HEREBY APPOINT**<sup>3</sup> \_\_\_\_\_  
of \_\_\_\_\_  
or failing him, the Chairman of the meeting as my/our proxy to attend and vote for me/us and on my/our behalf at the Annual General Meeting (or at any adjournment thereof) of the Company to be held at Huashan Room, 5/F., Island Shangri-La Hotel, Pacific Place, Supreme Court Road, Central, Hong Kong on 20th May, 2004 at 2:30 p.m. for the purpose of considering and, if thought fit, passing the resolutions set out in the notice convening the said meeting (or any adjournment thereof) and to vote for me/us in my/our name(s) in respect of the said resolutions as indicated below or, if no such indication is given, as my/our proxy thinks fit.

	<b>ORDINARY RESOLUTIONS</b>	<b>FOR<sup>4</sup></b>	<b>AGAINST<sup>4</sup></b>
1.	To receive and consider the audited consolidated financial statements and the reports of the directors and auditors for the year ended 31st December, 2003.		
2.	To declare a final dividend for the year ended 31st December, 2003.		
3.	(i) To re-elect Madam Huang Chen Li Chu as an Executive Director.		
	(ii) To re-elect Mr. Ng Kwun Wan as an Independent Non-executive Director.		
	(iii) To authorise the Board to fix the remuneration of the Directors for the year ending 31st December, 2004.		
4.	To re-appoint Deloitte Touche Tohmatsu as Auditors of the Company and to authorise the Board of Directors to fix their remuneration.		
5A.	To give a general mandate to the Board of Directors to allot and issue additional shares not exceeding 20 per cent. of the issued share capital of the Company.		
5B.	To give a general mandate to the Board of Directors to repurchase shares of the Company not exceeding 10 per cent. of the issued share capital of the Company.		
5C.	To extend the general mandate given to the Board of Directors to allot and issue additional shares of an amount not exceeding the amount of shares repurchased by the Company.		
	<b>SPECIAL RESOLUTION</b>		
6.	To amend the Bye-laws of the Company.		

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2004

Signature(s)<sup>5</sup> \_\_\_\_\_

*Notes:*

1. Full name(s) and address(es) to be inserted in **BLOCK CAPITALS**. The names of all joint holders should be stated.
2. Please insert the number of shares registered in your name(s). If no number is inserted, this form of proxy will be deemed to relate to all the shares of the Company registered in your name(s).
3. Insert in **BLOCK CAPITALS** the name and address of the proxy desired in the space provided. **If no name is inserted, the Chairman of the meeting will act as your proxy.** Any member entitled to attend and vote at the meeting shall be 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. Any alteration made to this form of proxy must be initialled by the person who signs it.
4. **IMPORTANT: IF YOU WISH TO VOTE FOR THE RESOLUTION, TICK IN THE BOX MARKED “FOR”. IF YOU WISH TO VOTE AGAINST THE RESOLUTION, TICK IN THE BOX MARKED “AGAINST”.** Failure to complete the box will entitle your proxy to cast your vote at his/her discretion. Your proxy will also be entitled to vote at his discretion on any resolution properly put to the meeting other than those referred to in the notice convening the meeting.
5. This form of proxy must be signed by you or your attorney duly authorised in writing or, in the case of a corporation, must be signed under the hand of an officer duly authorised on that behalf together with a company chop.
6. In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holder(s), and for this purpose seniority will be determined by the order in which the names stand in the register of members.
7. To be valid, this 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, Secretaries Limited, of 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 of the meeting.
8. Completion and delivery of the form of proxy will not preclude you from attending and voting at the meeting if you so wish.

\* for identification purposes only