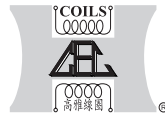

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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.

If you have sold or transferred all your shares in CEC International Holdings Limited, you should at once hand this circular and the accompanying 2003/2004 Annual Report and form of proxy to the purchaser or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for transmission to the purchaser.

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



CEC INTERNATIONAL HOLDINGS LIMITED
CEC 國際 控 股 有 限 公 司 *

(Incorporated in Bermuda with limited liability)
(Stock Code: 0759)

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

A notice convening the Annual General Meeting of CEC International Holdings Limited to be held at 2nd Floor, Hing Win Factory Building, 110 How Ming Street, Kwun Tong, Kowloon, Hong Kong, on Monday, 27th September, 2004 at 10:30 a.m. is set out on pages 10 to 17 of this circular.

Whether or not you are able to attend the Annual General Meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to Computershare Hong Kong Investor Services Limited, the Hong Kong branch share registrar of CEC International Holdings Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, 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 of a form of proxy will not preclude you from attending and voting at the Annual General Meeting (or any adjournment thereof) in person if you so wish.

* For identification purpose only

30th August, 2004

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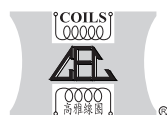
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DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held on Monday, 27th September, 2004 at 10:30 a.m., the notice of which is set out on pages 10 to 17 of this circular
“Board”	the board of Directors
“Company”	CEC International Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the Shares of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“HK\$” and “cents”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	26th August, 2004, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Old Scheme”	the share option scheme adopted pursuant to the written resolutions of the sole shareholder of the Company passed on 26th October, 1999 and was terminated by the Company at the annual general meeting held on 26th September, 2002
“Repurchase Proposal”	the general and unconditional mandate proposed to be granted to the Directors to empower the Directors to repurchase the Shares, details of which are set out in the section headed “General mandates to issue and repurchase Shares”
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Shareholders”	holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

LETTER FROM THE CHAIRMAN



CEC INTERNATIONAL HOLDINGS LIMITED CEC 國際 控 股 有 限 公 司 *

(Incorporated in Bermuda with limited liability)

(Stock Code: 0759)

Executive Directors:

Mr. Lam Wai Chun (*Chairman*)

Ms. Tang Fung Kwan

(Deputy Chairman and Managing Director)

Mr. Huang Kong (*Deputy Managing Director*)

Mr. Law Hoo Shan

Registered Office:

Canon's Court

22 Victoria Street

Hamilton HM 12

Bermuda

Independent Non-executive Directors:

Mr. Tang Tin Sek

Mr. Au Son Yiu

Mr. Lee Wing Kwan, Denis

Principal Place of Business

in Hong Kong:

2nd Floor, Hing Win Factory Building

110 How Ming Street

Kwun Tong

Kowloon

Hong Kong

30th August, 2004

To Shareholders and,

*for information only, the holders of options
granted under the Old Scheme*

Dear Sir or Madam,

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

INTRODUCTION

It is proposed that at the Annual General Meeting, ordinary resolutions will be proposed to grant general mandates to the Directors to issue and repurchase Shares. The Company will also propose a special resolution to approve the amendments to the Bye-laws of the Company.

* For identification purpose only

LETTER FROM THE CHAIRMAN

In accordance with the Listing Rules, the Company set out in this circular information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the resolutions to approve the general mandates to issue new Shares, the Repurchase Proposal and the amendments to the Company's Bye-laws.

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

An ordinary resolution relating to a general mandate will be proposed which, subject to the said resolution being passed at the Annual General Meeting, will empower the Directors to issue new Shares not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the resolution during the period up to the conclusion of the next annual general meeting of the Company, or at the expiration of the period within which the next annual general meeting of the Company is required by the applicable laws or the Bye-laws of the Company to be held, or on the date of revocation or variation of the said resolution by passing an ordinary resolution in general meeting prior to the next annual general meeting, whichever is the earliest.

At the forthcoming Annual General Meeting, an ordinary resolution will be proposed to grant to the Directors a general mandate to repurchase the Shares on the Stock Exchange representing up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the resolution.

An explanatory statement in connection with the proposed ordinary resolution for the approval of the Repurchase Proposal is set out in Appendix I to this circular.

Subject to the passing of the proposed ordinary resolutions regarding the Shares issue general mandate and the Repurchase Proposal, a separate resolution will also be proposed to grant a general mandate to the Directors to add all the aggregate nominal amount of Shares which may from time to time be purchased under the Repurchase Proposal to the 20% Shares issue general mandate.

AMENDMENTS TO BYE-LAWS

In view of certain amendments made to the Listing Rules relating to corporate governance issues which have become effective on 31st March, 2004 subject to certain transitional arrangements, a special resolution will be proposed at the Annual General Meeting to seek Shareholders' approval for amending the Bye-laws of the Company to reflect the amendments to Appendix 3 to the Listing Rules, including, among other things, the giving of notices in relation to proposed Directors before election at general meetings and the variations of the restrictions on voting by Shareholders at general meetings and by Directors at board meetings.

It is also proposed that the definition of "clearing house" within the meaning of the SFO, which has become effective on 1st April, 2003, be adopted.

Details of the proposed amendments are set out in the notice of the Annual General Meeting.

LETTER FROM THE CHAIRMAN

RE-ELECTION OF A RETIRING DIRECTOR

A resolution will be proposed to Shareholders at the Annual General Meeting to re-elect Mr. Lee Wing Kwan, Denis, who will retire from office by rotation at the Annual General Meeting pursuant to Bye-law 87 of the Company's Bye-laws and, being eligible, offer himself for re-election. The details of the said Director as required to be disclosed by the Listing Rules are set out below:

Mr. LEE Wing Kwan, Denis, aged 59, has been appointed as an independent non-executive Director and a member of the Audit Committee since September 1999. He is the immediate past chairman of the Small and Medium Enterprises Committee of the HKSAR Government (1996-2000), the past chairman of group III of Business Advisory Group of HKSAR Government (1998-2003), the former member of Employment Task Force of the HKSAR Government (1998-2002), the former council and general committee member of Hong Kong General Chamber of Commerce (1994-2002) and a former member of the Executive Committee of the Hong Kong Coalition of Service Industries. Mr. Lee is now a member of Trade and Industry Board of the HKSAR Government and a member of Hongkong/Japan Business Co-operation Committee.

As at the Latest Practicable Date, Mr. Lee has no interests in the Shares within the meaning of Part XV of the SFO. Mr. Lee is not related to any Directors, senior management, substantial or controlling Shareholders and did not hold any directorship in any other listed public companies in the last three years preceding the Latest Practicable Date. There is no service contract between the Company and Mr. Lee is not appointed for a specific term but is subject to retirement by rotation in accordance with the Company's Bye-laws. Mr. Lee receives a director's fee of HK\$300,000 per annum, which was determined by reference to his duties and responsibilities with the Company, the Company's remuneration policy and the market benchmark.

NOTICE OF ANNUAL GENERAL MEETING

Notice of the Annual General Meeting is set out on pages 10 to 17 of this circular.

A form of proxy is enclosed with this circular for use at the Annual General Meeting. Whether or not you intend to be present at the meeting, you are requested to complete and return the enclosed form of proxy to the office of the Company's branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, in accordance with the instructions printed thereon not less than 48 hours before the time appointed for the holding of the Annual General Meeting (or any adjournment thereof). Completion of a form of proxy will not preclude you from attending and voting at the Annual General Meeting (or any adjournment thereof) in person if you so wish.

LETTER FROM THE CHAIRMAN

PROCEDURES FOR DEMANDING A POLL

Pursuant to Bye-law 66 of the Company's Bye-laws, at any general meeting a resolution put to the vote at 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:

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

RECOMMENDATION

The Directors are of the opinion that the proposed general mandates to issue shares, the Repurchase Proposal and the amendments to Bye-laws are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend you to vote in favour of the ordinary resolutions and the special resolution to be proposed at the forthcoming Annual General Meeting.

Yours faithfully,
For and on behalf of
CEC International Holdings Limited
Lam Wai Chun
Chairman

THE REPURCHASE PROPOSAL

At the Annual General Meeting, an ordinary resolution will be proposed for Shareholders' approval whereby the Directors will be given a general and unconditional mandate to exercise all powers of the Company to repurchase its issued Shares subject to the criteria set out in this appendix.

While it is not possible to anticipate in advance any specific circumstances in which the Directors might think it appropriate to repurchase Shares of the Company, the Directors believe that the grant of a general mandate to repurchase Shares of the Company would give the Company additional flexibility that would be beneficial. The repurchases may, depending on market conditions and funding arrangements of the Company at the 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 purchases in circumstances where they consider them to be in the best interests of the Company. On the basis of the consolidated financial position of the Company as at 30th April, 2004 (being the date to which the latest published audited accounts of the Company have been made up) and in particular the working capital or gearing position of the Company at that time and the number of Shares now in issue, the Directors consider that there may be a material adverse impact on the working capital or gearing position of the Company in the event that the proposed purchases were to be carried out in full at any time during the proposed purchase period. However, no purchase would be made in circumstances that would have a material adverse impact on the working capital or gearing position of the Company (as compared with the financial position as at 30th April, 2004), nor if on the date on which the purchase is to be effected, there are reasonable grounds for believing that the Company is, or after the purchase would be, unable to pay its liabilities as they become due.

SOURCE OF FUNDS

Repurchase must be funded out of funds legally available for the purpose. Any repurchases will be made out of funds of the Company legally permitted in accordance with its memorandum of association and Bye-laws and the laws of Bermuda to be utilized in this connection, including profits available for distribution and sums standing to the credit of the shares premium account of the Company, the proceeds of a fresh issue of Shares made for the purpose of the repurchase or out of capital, if the Company is able, immediately following such payment, to pay its debts as they fall due in the ordinary course of business.

As at the Latest Practicable Date, there were in issue an aggregate of 693,028,811 Shares. Assuming that no further Shares are issued (whether or not upon the exercise of the outstanding options granted under the Old Scheme) or repurchased prior to the Annual General Meeting, not more than 69,302,881 Shares may be repurchased on the Stock Exchange.

DIRECTORS AND CONNECTED PERSONS

None of the Directors nor, to the best of their knowledge and belief, having made all reasonable enquiries, any of the associates (as defined in the Listing Rules) of any of the Directors have any present intention, in the event that the Repurchase Proposal is approved by the Shareholders, to sell Shares the Company.

No persons who are connected persons (as defined in the Listing Rules) of the Company have notified the Company that they have a present intention to sell Shares to the Company nor have they undertaken not to sell any of the Shares held by them to the Company in the event that the Repurchase Proposal is approved by the Shareholders.

UNDERTAKING TO THE STOCK EXCHANGE

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases pursuant to the Repurchase Proposal in accordance with the Listing Rules, all applicable laws of Bermuda, the jurisdiction in which the Company was incorporated, and the Memorandum of Association and Bye-laws of the Company.

HONG KONG CODE ON TAKEOVERS AND MERGERS

If, as a result of a share repurchase, a shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code and, if such increase results in a change in control, may in certain circumstances give rise to an obligation to make a general offer for Shares under Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, according to the register kept by the Company pursuant to section 336 of the SFO, Mr. Lam Wai Chun ("Mr. Lam") and his spouse, Ms. Law Ching Yee, are deemed to be interested in 411,340,996 Shares, representing 59.35% in the issued share capital of the Company, of which 7,332,000 Shares are beneficially owned by Mr. Lam and 404,008,996 Shares are ultimately held by his family trust through Ka Yan China Investments Limited, Ka Yan China Development (Holding) Company Limited and HSBC International Trustee Limited, for the purpose of the SFO. Mr. Lam also has beneficial interest in 1,322,698 Shares to be issued upon exercise of the outstanding option granted under the Old Scheme. Ms. Law Ching Yee is deemed to be interested in 1,322,698 shares in respect of the aforesaid option held by Mr. Lam.

In the event that the Directors exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the Repurchase Proposal, assuming the present shareholdings otherwise remain the same and no further Shares will be issued upon the exercise of options granted under the Old Scheme, the interests of Mr. Lam and Ms. Law Ching Yee together with his family trust in the Company would be increased to approximately 65.95% of the issued share capital of the Company. The Directors consider that such increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors will not repurchase the Shares on the Stock Exchange if the repurchase would result in the number of the listed Shares which are in the hands of the public falling below 25% under the Listing Rules.

MISCELLANEOUS

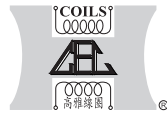
During the six months preceding the Latest Practicable Date, no Share was purchased by the Company.

During each of the previous twelve months ended 31st July, 2004, the highest and lowest prices at which the Shares and warrants (expired on 30th September, 2003) traded on the Stock Exchange were as follows:

Month	Per Share		Per warrant	
	Highest	Lowest	Highest	Lowest
	HK\$	HK\$	HK\$	HK\$
2003				
August	0.1300	0.1000	—*	—*
September	0.1750	0.1200	—*	—*
October	0.1800	0.1420	—	—
November	0.1780	0.1400	—	—
December	0.1830	0.1320	—	—
2004				
January	0.1780	0.1300	—	—
February	0.2750	0.1650	—	—
March	0.2300	0.1880	—	—
April	0.1940	0.1450	—	—
May	0.1600	0.1300	—	—
June	0.1600	0.1400	—	—
July	0.1500	0.1400	—	—

* There was no transaction during the month.

NOTICE OF ANNUAL GENERAL MEETING



CEC INTERNATIONAL HOLDINGS LIMITED CEC 國際 控 股 有 限 公 司 *

(Incorporated in Bermuda with limited liability)

(Stock Code: 0759)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of CEC International Holdings Limited (the “Company”) will be held at 2nd Floor, Hing Win Factory Building, 110 How Ming Street, Kwun Tong, Kowloon, Hong Kong, on Monday, 27th September, 2004 at 10:30 a.m. for the following purposes:

As ordinary business

1. To receive and adopt the audited accounts of the Company and the Reports of the Directors and the Auditors of the Company for the year ended 30th April, 2004.
2. To declare a final dividend for the year ended 30th April, 2004.
- 3A. To re-elect a retiring Director.
- 3B. To approve the payment of a director’s fee of HK\$300,000 per annum for each of the independent non-executive Directors until the conclusion of the next annual general meeting of the Company.
4. To re-appoint PricewaterhouseCoopers as the auditors of the Company to hold office until the conclusion of the next annual general meeting of the Company and to authorise the Board of Directors to fix their remuneration.

As special business

To consider, and if thought fit, pass with or without amendments, the following resolutions as Ordinary Resolutions:

ORDINARY RESOLUTIONS

5. “**THAT:**
 - (i) subject to paragraph (iii) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company or securities convertible into shares of the Company and to make or grant offers, agreements and options, including warrants to subscribe for shares or securities convertible into or exchangeable for shares of the Company, which might require the exercise of such powers be and is hereby generally and unconditionally approved;

* For identification purpose only

NOTICE OF ANNUAL GENERAL MEETING

- (ii) the approval in paragraph (i) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options, including warrants to subscribe for shares or securities convertible into or exchangeable for shares of the Company, which might require the exercise of such powers after the end of the Relevant Period;
- (iii) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (i) above, otherwise than pursuant to (a) a Rights Issue (as hereinafter defined); (b) the exercise of any options granted under the share option schemes adopted by the Company; (c) the exercise of rights of subscription or conversion under the terms of any warrants or any securities convertible into shares of the Company or any similar instruments requiring the Company to issue shares, or (d) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares in accordance with the Company's Bye-laws, shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this Resolution, and the said approval shall be limited accordingly; and
- (iv) for the purposes of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the applicable laws or the Bye-laws of the Company to be held; and
- (c) the date on which the authority set out in this Resolution is revoked or varied by passing an ordinary resolution of the Company in general meeting;

“Rights Issue” means an offer of shares in the capital of the Company open for a period fixed by the Directors to holders of shares in the Company whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors 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 applicable to the Company).”

NOTICE OF ANNUAL GENERAL MEETING

6. **“THAT:**

- (i) subject to paragraph (ii) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase the issued shares of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the shares of the Company may be listed and which is recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (ii) the aggregate nominal amount of shares of the Company which are authorised to be repurchased by the Directors pursuant to the approval in paragraph (i) above during the Relevant Period 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 this Resolution, and the said approval shall be limited accordingly; and
- (iii) for the purposes of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the Bye-laws of the Company to be held; and
- (c) the date on which the authority set out in this Resolution is revoked or varied by passing an ordinary resolution of the Company in general meeting.”

7. **“THAT** conditional upon the passing of the Resolutions numbered 5 and 6 set out in the notice of convening this meeting, the general mandate granted to the Directors and for the time being in force to exercise the powers of the Company to allot, issue and deal with new shares pursuant to the Resolution numbered 5 set out in the said notice be and is hereby extended by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandate of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to the said Resolution numbered 6, provided that such extended amount 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 this Resolution.”

NOTICE OF ANNUAL GENERAL MEETING

To consider, and if thought fit, pass with or without amendments, the following resolution as a Special Resolution:

SPECIAL RESOLUTION

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

(a) by inserting the following new definitions in Bye-law 1:

““associate” shall have the meaning as defined in the Listing Rules.

“Listing Rules” The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time).”

(b) by deleting the existing definition of “clearing house” in its entirety in Bye-law 1 and substituting 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) or a clearing house or authorised shares depository recognised by the laws of the jurisdiction in which the shares of the Company are listed or quoted on a stock exchange in such jurisdiction.”

(c) by inserting the following as new Bye-law 66A immediately after the existing Bye-law 66:

“66A. Where any Member is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such Member in contravention of such requirement or restriction shall not be counted.”

NOTICE OF ANNUAL GENERAL MEETING

- (d) by deleting the existing Bye-law 103 in its entirety and substituting therefor the following:

“103. (1) A Director shall not vote (nor shall he be counted in the quorum) on any resolution of the Board in respect of any contract or arrangement or proposal in which he or any of his associate(s) has/have a material interest, and if he shall do so his vote shall not be counted (nor shall he be counted in the quorum for that resolution), but this prohibition shall not apply to any of the following matters namely:

- (i) the giving of any security or indemnity either:
 - (a) to the Director or his associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries; or
 - (b) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (ii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (iii) any proposal concerning any other company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the Director or his associate(s) is/are beneficially interested in shares of that company, provided that the Director and any of his associates are not in aggregate beneficially interested in five (5) per cent or more of the issued shares of any class of such company (or of any third company through which his interest or that of his associate(s) is derived) or of the voting rights;
- (iv) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:
 - (a) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which the Director or his associate(s) may benefit; or

NOTICE OF ANNUAL GENERAL MEETING

- (b) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to Directors, his associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or his associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and
 - (v) 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.
- (2) A company shall be deemed to be a company in which a Director and any of his associates are materially interested in if and so long as (but only if and so long as) he together with any of his associates is (either directly or indirectly) the holder of or beneficially interested in, in aggregate, five (5) per cent. or more of any class of the equity share capital of such company (or of any third company through which his interest is derived) or of the voting rights of any class of shares available to shareholders of such company. 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 his associate(s) has/have no beneficial interest, any shares comprised in a trust in which the interest of the Director or his associate(s) is/are in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust scheme in which the Director 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 any of his associates in aggregate hold five (5) per cent or more of any class of the equity share capital of such company or of the voting rights of any class of shares available to shareholders of such company is materially interested in a transaction, then that Director shall also be deemed materially interested in such transaction.
- (4) If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the chairman of the meeting) or as to the entitlement of any Director (other than such chairman) to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest

NOTICE OF ANNUAL GENERAL MEETING

of the Director concerned or his associate(s) 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 or his associate(s) as known to such chairman has not been fairly disclosed to the Board.”

- (e) by deleting the existing Bye-law 88 in its entirety and substituting therefor the following:

“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 of the intention to propose that person signed by a Member (other than the person to be proposed) duly qualified to attend and vote at the general meeting for which such Notice is given of his intention to propose such person for election as a Director and also a Notice signed by that person to be proposed of his willingness to be elected shall have been lodged at the Office or at the head office or at the principal place of business provided that the minimum length of the period during which such Notices may be given will be at least seven (7) days commencing 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.””

By Order of the Board
Li Lai Sheung
Company Secretary

Hong Kong, 30th August, 2004

Principal Place of Business in Hong Kong:
2nd Floor, Hing Win Factory Building
110 How Ming Street
Kwun Tong
Kowloon
Hong Kong

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. Any member entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and, including on a poll, vote in his stead. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf. A proxy need not be a member of the Company.
2. A form of proxy for the meeting is enclosed herewith. Completion and return of the form of proxy will not preclude a member from attending the meeting if he so wishes. In the event that a member who has lodged a form of proxy attends the meeting, his form of proxy will be deemed to have been revoked.
3. To be valid, a form of proxy, together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of that power or authority must be deposited at the office of the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 48 hours before the time appointed for the holding of the meeting or any adjourned meeting thereof.
4. In the case of joint holders of any share, any one of such holders may vote at the meeting either personally or by proxy in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, the said holder whose name stands first in the register of members of the Company shall alone be entitled to vote in respect of that share.
5. The register of members of the Company will be closed from Wednesday, 22nd September, 2004 to Monday, 27th September, 2004, both dates inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfers of shares (together with the relevant share certificates) must be lodged with the Company's branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration by no later than 4:00 p.m. on Tuesday, 21st September, 2004.