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If you have sold all your shares in **Lung Kee (Bermuda) Holdings Limited**, you should at once hand this circular to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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LUNG KEE (BERMUDA) HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 255)

**PROPOSALS FOR
GENERAL MANDATES TO
PURCHASE ITS OWN SHARES AND TO ISSUE SHARES
AMENDMENTS TO BYE-LAWS OF THE COMPANY
AND
RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

The notice convening the annual general meeting of Lung Kee (Bermuda) Holdings Limited (the “Company”) to be held at Peacock Room, 1st Floor, Mandarin Oriental Hotel, 5 Connaught Road Central, Hong Kong on Monday, 9th May, 2005 at 3:30 p.m. (the “Annual General Meeting”) is set out on pages 12 to 16 of this circular. Shareholders of the Company (the “Shareholders”) are advised to read the notice and to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the head office and principal place of business of the Company at 2nd Floor, Cheung Kong Electronic Building, 4 Hing Yip Street, Kwun Tong, Kowloon, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or adjournment thereof (as the case may be).



LUNG KEE (BERMUDA) HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Executive Directors:

Mr. Siu Tit Lung (*Chairman*)
Mr. Siu Yuk Lung (*Managing Director*)
Mr. Mak Koon Chi
Mr. Wai Lung Shing
Mr. Fung Wai Hing

Non-Executive Director:

Mr. Chan Chun Sing, Colin

Independent Non-Executive Directors:

Mr. Liu Wing Ting, Stephen, *JP*
Dr. Lee Tat Yee
Mr. Lee Joo Hai

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head Office and

Principal Place of Business:

2nd Floor
Cheung Kong Electronic Building
4 Hing Yip Street
Kwun Tong
Kowloon
Hong Kong

8th April, 2005

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR
GENERAL MANDATES TO
PURCHASE ITS OWN SHARES AND TO ISSUE SHARES
AMENDMENTS TO BYE-LAWS OF THE COMPANY
AND
RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with details regarding the proposed general mandates to purchase the fully paid up shares of the Company (“Shares”) and to issue Shares, amendments to the Bye-laws of the Company and re-election of retiring directors of the Company.

At the annual general meeting of the Company held on 3rd May, 2004, a general mandate was given to the directors of the Company (the “Director(s)”) to exercise the powers of the Company to purchase Shares and another general mandate was given to the Directors to allot, issue and deal with Shares. These general mandates will lapse at the conclusion of the Annual General Meeting.

LETTER FROM THE CHAIRMAN

GENERAL MANDATE TO PURCHASE ITS OWN SHARES

An ordinary resolution as Resolution No. 9 in the notice of the Annual General Meeting will be proposed at the Annual General Meeting to approve a fresh general mandate to be given to the Directors to exercise the powers of the Company to purchase at any time until the next annual general meeting of the Company or such earlier date on which the authority given under this resolution is revoked or varied by ordinary resolution of the Shareholders in general meeting, Shares up to a maximum of 10% of the share capital of the Company in issue at the date of the relevant resolution (the “Share Repurchase Mandate”).

An explanatory statement as required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“HKSE”) (the “Listing Rules”) to provide the requisite information is set out in the Appendix I hereto. Under the listing rules of the Singapore Exchange Securities Trading Limited (“SGX-ST”), as the Company has only a secondary listing in Singapore, the Company is not required to comply with the continuous listing obligations of the SGX-ST, subject to the requirement that any public announcements or disclosures made by the Company to HKSE must be contemporaneously released to the SGX-ST.

GENERAL MANDATE TO ISSUE SHARES

There will also be proposed at the Annual General Meeting two ordinary resolutions as Resolutions 8 and 10 in the notice of the Annual General Meeting respectively granting to the Directors a general mandate to allot, issue and deal with Shares not exceeding 20% of the share capital of the Company in issue at the date of the relevant resolution until the next annual general meeting of the Company or such earlier date on which the authority given under this resolution is revoked or varied by ordinary resolution of the Shareholders in general meeting (the “Share Issue Mandate”) and adding to such general mandate so granted to the Directors any Shares repurchased by the Company under the Share Repurchase Mandate.

AMENDMENTS TO THE BYE-LAWS OF THE COMPANY

HKSE has announced certain amendments to the Listing Rules which subject to certain transitional arrangements came into effect on 1st January, 2005. Pursuant to A.4.2 of the Code on Corporate Governance Practices on Appendix 14 of the Listing Rules, every Director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years.

To align the Bye-laws of the Company with the latest amendments to the Listing Rules, the Company proposes that the Bye-laws of the Company be amended in the manner set out in the special resolution of the notice of the Annual General Meeting. The full text of the proposed amendments to the existing Bye-laws of the Company are set out in the notice of the Annual General Meeting as set out on pages 12 to 16 of this Circular.

LETTER FROM THE CHAIRMAN

Details of the proposed amendments are set out in Appendix II hereto. A summary of the proposed amendments is set out as follows:

- | | |
|---|--|
| (a) Bye-law 87(1) (set out in paragraph (2) of Bye-law 169) | To stipulate that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. |
| (b) Bye-law 87(2) (set out in paragraph (2) of Bye-law 169) | To amend certain grammars for the purpose of clarification. |

RE-ELECTION OF RETIRING DIRECTORS

As at 1st April, 2005 (the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular (the “Latest Practicable Date”)), the executive Directors of the Company are Mr. Siu Tit Lung, Mr. Siu Yuk Lung, Mr. Mak Koon Chi, Mr. Wai Lung Shing and Mr. Fung Wai Hing; the non-executive Director of the Company is Mr. Chan Chun Sing, Colin and the independent non-executive Directors of the Company are Mr. Liu Wing Ting, Stephen, Dr. Lee Tat Yee and Mr. Lee Joo Hai.

Mr. Lee Joo Hai was appointed as an independent non-executive director of the Company by the Directors with effect from 30th September, 2004. Pursuant to the existing Bye-law 86(2) of the Bye-laws of the Company, he shall hold office until the Annual General Meeting and shall be eligible for re-election. Pursuant to the existing Bye-law 87(1) and Bye-law 169(2) of the Bye-laws of the Company, Mr. Mak Koon Chi and Mr. Wai Lung Shing shall retire from office by rotation at the Annual General Meeting and shall be eligible for re-election. Details of the Directors proposed to be re-elected at the Annual General Meeting are set out in Appendix III hereto.

ANNUAL GENERAL MEETING

Resolutions will be proposed to the Shareholders in respect of ordinary business to be considered at the Annual General Meeting including re-election of retiring Directors and special business to be considered at the Annual General Meeting, being ordinary resolutions proposed to approve the Share Repurchase Mandate, the Share Issue Mandate and a special resolution to approve the amendments to the Bye-laws of the Company.

The notice convening the Annual General Meeting is set out on pages 12 to 16 of this circular. Shareholders are advised to read the notice and to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the head office and principal place of business of the Company at 2nd Floor, Cheung Kong Electronic Building, 4 Hing Yip Street, Kwun Tong, Kowloon, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or adjournment thereof (as the case may be).

LETTER FROM THE CHAIRMAN

RIGHT TO DEMAND A POLL

Pursuant to Bye-law 66 of the Bye-laws of the Company, a resolution put to the vote of a general 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 such meeting; or
- (b) by at least three Shareholders present in person or by a 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 person or by a 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 a 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 believe that the Shares Repurchase Mandate, the Share Issue Mandate, amendments to the Bye-laws of the Company and re-election of retiring directors of the Company 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 resolutions relating to such matters to be proposed at the Annual General Meeting.

Yours faithfully,
Siu Tit Lung
Chairman

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide all the information reasonably necessary to enable Shareholders to make an informed decision on whether to vote for or against the resolution to approve the Share Repurchase Mandate.

LISTING RULES RELATING TO THE REPURCHASE OF SHARES

The Listing Rules permit companies with a primary listing on HKSE to repurchase their shares on the HKSE subject to certain restrictions. The shares proposed to be purchased by the company are fully paid up.

SHAREHOLDER'S APPROVAL

All proposed repurchases of shares by a company with a primary listing on the HKSE must be approved in advance by an ordinary resolution, either by way of general mandate or by specific approval of a particular transaction.

EXERCISE OF THE SHARE REPURCHASE MANDATE

As at Latest Practicable Date, there were 619,279,303 Shares in issue.

Subject to the passing of the ordinary resolutions as Resolutions Nos. 8 and 9 in the notice of the Annual General Meeting and on the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, the Company would be allowed under the Share Repurchase Mandate to repurchase a maximum of 61,927,930 Shares, being 10% of the issued share capital of the Company at the date of passing the resolution.

REASONS FOR THE REPURCHASE OF SHARES

The Directors believe that the Share Repurchase Mandate is in the best interest of the Company and its Shareholders. Such repurchases may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per Share and will only be made when the Directors believe that such repurchase will benefit the Company and its Shareholders.

FUNDING OF REPURCHASE

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the laws of Bermuda and the Memorandum of Association, the Bye-laws of the Company and any other applicable laws. It is envisaged that the funds required for any repurchase would be derived from those funds of the Company legally permitted to be utilised in this connection, including capital paid up on the Shares to be repurchased, funds of the Company otherwise available for dividend or distribution or out of the proceeds of a fresh issue of Shares and any premium payable on a repurchase shall be provided out of funds of the Company otherwise available for dividend or distribution or sums standing to the share premium account of the Company.

There might be 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 consolidated accounts contained in the Annual Report for the year ended 31st December, 2004 in the event that Share Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise

the Share 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 which in the opinion of the Directors are from time to time appropriate for the Company.

SHARE PRICES

The highest and lowest prices at which the Shares had traded on the HKSE during each of the twelve months preceding the Latest Practicable Date were as follows:

	Shares	
	Highest HK\$	Lowest HK\$
2004		
April	4.000 ^(A)	3.450
May	3.600	2.900
June	3.625	3.000
July	3.800	3.525
August	3.900	3.475
September	4.400	3.900
October	4.125	3.775
November	4.650	3.975
December	4.950	4.575
2005		
January	5.050	4.700
February	5.800	4.900
March	5.750	5.600

(A): Share price was adjusted for the effect of bonus share issue in 2004.

UNDERTAKING

The Directors have undertaken to the HKSE that, so far as the same may be applicable, they will exercise the Share Repurchase Mandate in accordance with the Listing Rules, the applicable laws and regulations of Bermuda and the Memorandum of Association and the Bye-laws of the Company.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates (as defined in the Listing Rules) currently intends to sell Shares to the Company or its subsidiaries in the event that the Share Repurchase Mandate is approved by the Shareholders.

No connected person (as defined in the Listing Rules) has notified the Company that he has a present intention to sell the Shares to the Company, or has undertaken not to do so in the event that the Company is authorised to make repurchases of Shares.

HONG KONG CODE ON TAKEOVER AND MERGERS

If as a result of repurchase of Shares by the Company, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of Rule 32 of The Hong Kong Code on Takeovers and Mergers (the "Hong Kong Code") and Rule 14 of the Singapore Code on Take-Overs and Mergers (the "Singapore Code"). Accordingly, a shareholder, or group of shareholders acting in concert, could obtain or consolidate control of the Company or become obliged to make a mandatory offer in accordance with Rule 26 of the Hong Kong Code and Rule 14 of the Singapore Code.

As at the Latest Practicable Date, Mr. Siu Tit Lung and Mr. Siu Yuk Lung together with their respective associates are beneficially interested in 408,162,537 Shares representing approximately 65.91% of the issued share capital of the Company.

In the event that the Share Repurchase Mandate is exercised in full and the present shareholdings remain the same, the interests of Mr. Siu Tit Lung and Mr. Siu Yuk Lung and their associates in the Company would be increased to approximately 73.23% of the issued share capital of the Company and such increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Hong Kong Code and under Rule 14 of the Singapore Code. The Directors have no intention to exercise the Share Repurchase Mandate to such an extent.

SHARES PURCHASE BY THE COMPANY

Neither the Company nor any of its subsidiaries has purchased any of the Shares (whether on the HKSE or on the SGX-ST) in the six months preceding the Latest Practicable Date.

The amendments that are proposed to be made to the Bye-laws are set out below. For ease of reference, the text of the relevant Bye-laws which are recommended for amendment have also been reproduced.

1. Bye-law 87(1) set out in paragraph (2) of Bye-law 169

“87 (1) Notwithstanding any other provisions in the Bye-laws, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not greater than one-third) shall retire from office by rotation provided that notwithstanding anything herein, the chairman and vice-chairman of the Board and/or the Managing Director of the Company shall not, whilst holding such office, be subject to retirement by rotation or be taken into account in determining the number of Directors to retire in each year.”

Proposed amendment to existing Bye-law 87(1) set out in paragraph (2) of Bye-law 169

By deleting Bye-law 87(1) set out in paragraph (2) of Bye-law 169 in its entirety and substituting therefor the following:

“87 (1) Notwithstanding any other provisions in the Bye-laws and subject to the manner of retirement by rotation of Directors as from time to time prescribed under the rules of the Designated Stock Exchange, at each annual general meeting one third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years.”

2. Bye-law 87(2) set out in paragraph (2) of Bye-law 169

“87 (2) A retiring Director shall be eligible for re-election. The Directors to retire by rotation shall include (so far necessary to ascertain the number of directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election. Any further directors so to retire shall be those of the other Directors subject to retirement by rotation who have longest in office since their last re-election or appointment and so that as between persons who became or were last re-election Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. Any director appointed pursuant to Bye-law 86(2) shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation.”

Proposed amendment to existing Bye-law 87(2) set out in paragraph (2) of Bye-law 169

By amending Bye-law 87(2) set out in paragraph (2) of Bye-law 169 in the following manner:

- (i) by inserting the word “been” before the words “longest in office” in the third sentence; and

- (ii) by deleting the word “re-election” before the words “Directors on the same day” in the third sentence and substituting therefor the word “re-elected”.

After amendment, the full text of Article 87(2) will read as follows:

- “87 (2) A retiring Director shall be eligible for re-election. The Directors to retire by rotation shall include (so far necessary to ascertain the number of directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election. Any further directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. Any director appointed pursuant to Bye-law 86(2) shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation.”

Pursuant to the Listing Rules, the details of the Directors who will retire at the Annual General Meeting according to the Bye-laws of the Company and will be proposed to be re-elected at the Annual General Meeting are provided below.

Mr. Mak Koon Chi

Mr. Mak Koon Chi, aged 46, has been an executive director of the Company since December 1992. He is a director of certain subsidiaries of the Company. Save as disclosed above, Mr. Mak did not hold any directorships in other listed public companies in the last three years or any position with the Company or other members of the Company's group (the "Group").

Mr. Mak is a past Chairman of the Society of Manufacturing Engineers (Hong Kong Chapter) and a senior member of The Hong Kong Institute of Directors. Mr. Mak has many years of experience in mould base manufacturing. He graduated from Murdoch University with a Master of Business Administration Degree.

Mr. Mak's directorship with the Group is subject to the retirement by rotation pursuant to the Bye-laws of the Company. Mr. Mak is entitled to a remuneration of HK\$1,944,000 per annum and a discretionary bonus which is determined by reference to his performance and operating results of the Group. He is independent of and not connected with any Director, senior management or substantial or controlling Shareholder. As at the Latest Practicable Date, Mr. Mak is interested in 2,843,750 Shares within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), representing approximately 0.46% of the issued share capital of the Company.

The Directors are not aware of any other matters relating to his re-election that need to be brought to the attention of the Shareholders.

Mr. Wai Lung Shing

Mr. Wai Lung Shing, aged 43, has been an executive director of the Company since December 1992. He is the Company Secretary of the Company and a director of certain subsidiaries of the Company. Save as disclosed above, Mr. Wai did not hold any directorships in other listed public companies in the last three years or any position with the Company or other members of the Group.

Mr. Wai graduated from the Hong Kong Polytechnic University with a Bachelor of Arts (Hons.) Degree in Accountancy and from the University of Warwick with a Master of Business Administration Degree. He is a fellow of both the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants and a member of The Hong Kong Institute of Directors. He has extensive experience in accounting, finance and management with both international accounting firms and commercial organisations.

Mr. Wai's directorship with the Group is subject to the retirement by rotation pursuant to the Bye-laws of the Company. Mr. Wai is entitled to a remuneration of HK\$1,944,000 per annum and a discretionary bonus which is determined by reference to his performance and operating results of the Group. He is independent of and not connected with any Director, senior management or substantial or controlling Shareholder. As at the Latest Practicable Date, Mr. Wai is interested in 2,843,750 Shares within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), representing approximately 0.46% of the issued share capital of the Company.

The Directors are not aware of any other matters relating to his re-election that need to be brought to the attention of the Shareholders.

Mr. Lee Joo Hai

Mr. Lee Joo Hai, aged 49, has been an independent non-executive director of the Company since September 2004. He is the chairman of the Nomination Committee of the Company. He was also an independent non-executive director of Lung Kee Metal Holdings Limited from 1996 to 2002. Lung Kee Metal Holdings Limited was a wholly-owned subsidiary of the Company whose shares were listed on the mainboard of SGX-ST from 1997 to 2002. Mr. Lee was also the independent director of Kingboard Copper Foil Holdings Limited until 2001, Teamsphere Limited until 2003 and Miyoshi Precision Limited until February 2005, which were all listed on the SGX-ST. Mr. Lee is currently the independent director of AGVA Corporation Limited, FDS Networks Group Ltd, Hyflux Ltd, IPC Corporation Limited, Kian Ho Bearings Limited, KXD Digital Entertainment Limited, NTI International Limited and Unisteel Technology Limited, which are all listed on the mainboard of SGX-ST. He is also the independent director of Adampak Limited, Armarda Group Limited, Automated Touchstone Machines Limited, Food Junction Holdings Limited and PSL Holdings Limited, which are all listed on the sesdaq of SGX-ST. Save as disclosed above, Mr. Lee did not hold any directorship in other listed public companies in the last three years or any position with the Company or other members of the Group.

Mr. Lee is a member of the Institute of Chartered Accountants in England and Wales, the Malaysian Institute of Accountants, the Institute of Certified Public Accountants of Singapore and a member of the Singapore Institute of Directors. He has extensive experience in accounting and auditing. He is presently a partner of a public accounting firm in Singapore.

Pursuant to the service contract entered into with the Company, the length of service of Mr. Lee has been fixed at two years. Mr. Lee's directorship with the Company is also subject to the retirement by rotation pursuant to the Bye-laws of the Company. Mr. Lee is entitled to a remuneration of HK\$180,000 per annum which is determined by reference to his duties and responsibilities with the Company. Mr. Lee is independent of and not connected with any Director, senior management or substantial or controlling Shareholder and does not have any interest in the Shares within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Directors are not aware of any other matters relating to his re-election that need to be brought to the attention of the Shareholders.



LUNG KEE (BERMUDA) HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 255)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of shareholders of Lung Kee (Bermuda) Holdings Limited (the “Company”) will be held at Peacock Room, 1st Floor, Mandarin Oriental Hotel, 5 Connaught Road Central, Hong Kong on Monday, 9th May, 2005 at 3:30 p.m. for the following purposes:

As ordinary business

1. To receive and consider the audited financial statements of the Company and the reports of the directors and auditors of the Company for the year ended 31st December, 2004.
2. To approve and declare a final dividend of the Company for the year ended 31st December, 2004.
3. To determine the maximum number of directors of the Company for the time being be 15.
4. To re-elect and appoint directors of the Company.
5. To authorise the board of directors of the Company to fix the remuneration of directors of the Company.
6. To authorise the directors of the Company to appoint any person as a director of the Company either to fill a casual vacancy on the board of directors of the Company or as an addition to the existing board of directors of the Company so long as the number of directors of the Company so appointed shall not exceed 15 or such other maximum number as may be determined from time to time by members of the Company in general meeting at their discretion.
7. To re-appoint auditors of the Company and authorise the board of directors of the Company to fix their remuneration.

As special business

8. To consider and, if thought fit, pass, with or without modifications, the following resolution as an Ordinary Resolution.

“THAT:

- (A) subject to paragraph (C) of this Resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.10 each in the

NOTICE OF ANNUAL GENERAL MEETING

capital of the Company (“Shares”) and to make or grant offers, agreements and options (including warrants, bonds, notes and other securities which carry rights to subscribe for or are convertible into Shares) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;

- (B) the approval in paragraph (A) of this Resolution shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds, notes and other securities which carry rights to subscribe for or are convertible into Shares) which would or might require the exercise of such power after the end of the Relevant Period;
- (C) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (A) of this Resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) an issue of Shares upon the exercise of subscription rights under any option scheme or similar arrangement for the time being adopted for the grant or issue to the grantee as specified in such scheme or similar arrangement of Shares or rights to acquire the Shares; or (iii) an issue of Shares pursuant to any scrip dividends or similar arrangement providing for allotment of Shares in lieu of the whole or part of the dividend on Shares in accordance with the Bye-laws of the Company, shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company at the date of passing this Resolution, and the said 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 earliest of:

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or the Companies Act 1981 of Bermuda or any other applicable law of Bermuda to be held; or
- (iii) the date on which the authority given under this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer of Shares or issue of option, warrants or other securities giving the right to subscribe for Shares, open for a period fixed by the Directors the holders of Shares, or any class of Shares, whose names appear on the register of members of the Company (and, where appropriate, to holders of other securities of the Company entitled to the offer) on a fixed record date in proportion to their holdings of such Shares (or, where appropriate, such other securities) as at that date (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 applicable to the Company).”

NOTICE OF ANNUAL GENERAL MEETING

9. To consider and, if thought fit, pass, with or without modifications, the following resolution as an Ordinary Resolution.

“THAT:

- (A) subject to paragraph (B) of this Resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of HK\$0.10 each in the capital of the Company (“Shares”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other exchange on which the Shares may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (B) the aggregate nominal amount of Shares which the Company is authorised to repurchase pursuant to the approval in paragraph (A) of this Resolution during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing 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; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or the Companies Act 1981 of Bermuda or any other applicable law of Bermuda to be held; or
- (iii) the date on which the authority given under this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

10. To consider and, if thought fit, pass, with or without modifications, the following resolution as an Ordinary Resolution.

“THAT subject to the passing of Ordinary Resolutions Nos. 8 and 9 set out in the notice convening this meeting, the general mandate granted to the directors of the Company to exercise the powers of the Company to allot, issue and deal with additional shares of HK\$0.10 each in the capital of the Company (“Shares”) pursuant to Ordinary Resolution No. 8 set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of Shares repurchased by the Company under the authority granted pursuant to Ordinary Resolution No. 9 set out in the notice convening this meeting, provided that such extended amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company at the date of passing this Resolution.”

NOTICE OF ANNUAL GENERAL MEETING

11. To consider and, if thought fit, pass, the following resolution as a Special Resolution.

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

(A) by deleting Bye-law 87(1) set out in paragraph (2) of Bye-law 169 in its entirety and substituting therefor the following:

“87 (1) Notwithstanding any other provisions in the Bye-laws and subject to the manner of retirement by rotation of Directors as from time to time prescribed under the rules of the Designated Stock Exchange, at each annual general meeting one third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years.”

(B) by amending Bye-law 87(2) set out in paragraph (2) of Bye-law 169 in the following manner:

(i) by inserting the word “been” before the words “longest in office” in the third sentence; and

(ii) by deleting the word “re-election” before the words “Directors on the same day” in the third sentence and substituting therefor the word “re-elected”.”

By Order of the Board
Wai Lung Shing
Director and Company Secretary

Hong Kong, 8th April, 2005

Notes:

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint one or if he holds two or more shares more proxies to attend and vote on his behalf. A proxy need not be a member of the Company.
2. In order 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 of attorney or authority must be deposited at the head office and principal place of business of the Company at 2nd Floor, Cheung Kong Electronic Building, 4 Hing Yip Street, Kwun Tong, Kowloon, Hong Kong not less than 48 hours before the time fixed for holding the meeting or any adjournment thereof.
3. Where there are joint holders of any share of the Company, any one of such joint holders may vote at the meeting, either personally or by proxy, in respect of such share as if he was solely entitled thereto, but if more than one of such joint holders be present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the Register of Members of the Company in respect of such share shall alone be entitled to vote in respect thereof.

NOTICE OF ANNUAL GENERAL MEETING

4. The Register of Members of the Company will be closed from 4th May, 2005 to 9th May, 2005, both days inclusive, during which period no share transfer will be effected.
5. In order to qualify for the proposed final dividend, all share certificates accompanied by the completed transfer forms either overleaf or separate or standard transfer form, must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited of 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:00 p.m. on 3rd May, 2005.
6. Shareholders in Singapore whose securities accounts with The Central Depository (Pte) Limited are credited with shares in the Company as at 5:00 p.m. on 3rd May, 2005 will be entitled to the proposed final dividend.

As at the date of this notice, the executive directors of the Company are Siu Tit Lung (Chairman), Siu Yuk Lung, Mak Koon Chi, Wai Lung Shing and Fung Wai Hing, the non-executive director of the Company is Chan Chun Sing, Colin and the independent non-executive directors of the Company are Liu Wing Ting, Stephen, Lee Tat Yee and Lee Joo Hai.