
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 768)

**PROPOSALS RELATING TO GENERAL MANDATES
TO ISSUE AND REPURCHASE SHARES OF THE COMPANY
AMENDMENT TO THE ARTICLES OF ASSOCIATION
AND
NOTICE OF ANNUAL GENERAL MEETING OF THE COMPANY**

The notice convening an Annual General Meeting to be held on August 23, 2004, at which, among others, the above proposals will be considered, is set out on pages 9 to 16 of this circular.

Whether or not you propose to attend the Annual General Meeting, you are requested to complete and return the form of proxy enclosed with the Annual Report and Accounts in accordance with the instructions printed thereon as soon as possible.

* For identification only

July 22, 2004

LETTER FROM THE MANAGEMENT



(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 768)

Directors:

Executive Directors:

Li Kwok Cheung, George
Cheng Wai Lun, Andrew

Non-executive Director:

Kwok Hong Yee, Jesse

Independent Non-executive Directors:

Wong Wai Kwong, David
Lewis Hung Fung

Registered office:

Ugland House
South Church Street
P.O. Box 309
Grand Cayman
Cayman Islands
British West Indies

Principal place of business:

2nd Floor
Wah Kit Commercial Centre
302 Des Voeux Road Central
Hong Kong

July 22, 2004

To the shareholders of the Company

Dear Sir or Madam,

**PROPOSALS RELATING TO GENERAL MANDATES
TO ISSUE AND REPURCHASE SHARES OF THE COMPANY
AMENDMENT TO THE ARTICLES OF ASSOCIATION
AND
NOTICE OF ANNUAL GENERAL MEETING OF THE COMPANY**

INTRODUCTION

The purpose of this circular is to seek your approval of proposals to grant general mandates to issue and repurchase shares of the Company and to amend the Articles of Association of the Company (the "Articles"), as well as to provide you with information in connection with such proposals. Your approval will be sought at the annual general meeting of the Company to be held at 2/F., Wah Kit Commercial Centre, 302 Des Voeux Road Central, Hong Kong on August 23, 2004 (the "Annual General Meeting").

* For identification only

LETTER FROM THE MANAGEMENT

GENERAL MANDATE FOR REPURCHASE BY THE COMPANY OF ITS OWN SECURITIES

At the annual general meeting held on July 8, 2003, a general mandate was given to the board of directors of the Company (the “Board”) to exercise the powers of the Company to repurchase shares of HK\$0.01 each of the Company (the “Shares”) up to a maximum of 10 per cent. of the issued share capital of the Company on that date. Such mandate will lapse at the conclusion of the Annual General Meeting. Your attention is drawn to an ordinary resolution set out in the notice convening the Annual General Meeting dated August 23, 2004 set out on page 9 to 16 of this circular. Such ordinary resolution proposes to give a general mandate to the Board to exercise the powers of the Company to repurchase at any time until the conclusion of the next annual general meeting of the Company following the passing of the relevant resolution or such earlier period as stated therein up to a maximum of 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing that ordinary resolution (the “Repurchase Mandate”).

An explanatory statement, as required under the relevant rules set out in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”) regulating the repurchase by companies with primary listings on the Stock Exchange of their own securities on the Stock Exchange, to provide the requisite information for your consideration of the Repurchase Mandate is set out in the Explanatory Statement hereto.

GENERAL MANDATE TO ISSUE NEW SECURITIES OF THE COMPANY

It will be proposed at the Annual General Meeting the ordinary resolutions as set out in the notice convening the Annual General Meeting dated August 23, 2004 for granting to the Board a general mandate to allot, issue and deal with new Shares and/or other securities of the Company not exceeding 20 per cent. of the issued share capital of the Company as at the date of passing that ordinary resolution (the “New Issue Mandate”) and extending the New Issue Mandate by adding to it the aggregate nominal amount of the Shares repurchased by the Company under the Repurchase Mandate.

As at July 19, 2004 (the latest practicable date prior to the printing of this circular), there were 1,059,778,200 Shares in issue and subject to the passing of the necessary ordinary resolution and on the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, exercise in full of the New Issue Mandate could accordingly result in up to 211,955,640 Shares being issued by the Company during the course of the period prior to the next annual general meeting to be held in 2005.

ALTERATIONS TO THE ARTICLES

As announced by the Stock Exchange in its press release dated January 30, 2004, the Stock Exchange has revised the Listing Rules based on the results of the Consultation Conclusions on Proposed Amendments to the Listing Rules relating to Corporate Governance Issues issued in January 2003, such revisions of the Listing Rules took effect on March 31, 2004 and include revisions to Appendix 3 to the Listing Rules, which sets out the requirements that the articles of association or, as the case may be, the bye-laws of listed issuers or listing applicants shall comply with.

To ensure compliance with the revised Appendix 3 to the Listing Rules, listed issuers must amend their articles of association or, as the case may be, the bye-laws at the earliest opportunity and, in any event, no later than the conclusion of their next annual general meeting after March 31, 2004.

LETTER FROM THE MANAGEMENT

To align the Articles with the requirements of the revised Appendix 3 to the Listing Rules, the Board wish to propose a special resolution at the Annual General Meeting to amend the Articles. In general, the proposed alterations to the Articles are to be made to conform with the following in relation to corporate governance:

- (a) a Director shall abstain from voting at the board meeting on any matter in which he or any of his associates has a material interest and is not to be counted in the quorum of the relevant board meeting; and
- (b) where any shareholder of the Company is, under the revised Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or against any particular resolution, any vote cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

A full text of the proposed alterations to the Articles is contained in resolution numbered 5 in the notice of the Annual General Meeting set out on pages 9 to 16 of this circular.

ANNUAL GENERAL MEETING

Notice of the Annual General Meeting is set out on pages 9 to 16 of this circular. At the Annual General Meeting, ordinary and special resolutions will be proposed to approve, inter alia, the New Issue Mandate, the Repurchase Mandate and the amendment to the Articles of Associations respectively.

Pursuant to Article 100 of the Articles of Associations of the Company, a resolution put to the vote of the Annual 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 by: (a) the chairman of the meeting; or (b) at least five members present in person or by proxy and entitled to vote; or (c) a member or members present in person or by proxy and representing in the aggregate not less than one-tenth of the total voting rights of all members having the right to attend and vote at the meeting; or (d) by a member or members present in person or by proxy and holding shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

PROXY

A form of proxy for use at the Annual General Meeting is enclosed with this circular. Whether or not they intend to attend the meeting, shareholders are requested to complete and return the form of proxy to the principal place of business of the Company at 2nd Floor, Wah Kit Commercial Centre, 302 Des Voeux Road Central, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the Annual General Meeting should shareholders so desire.

LETTER FROM THE MANAGEMENT

RECOMMENDATION

The Board believe that the New Issue Mandate, the Repurchase Mandate and the proposed alternation to the Articles are in the best interests of the Company as well as its shareholders. Accordingly, the Board recommend that all shareholders vote in favour of the resolutions to be proposed at the Annual General Meeting.

GENERAL INFORMATION

Your attention is also drawn to the additional information set out in the Appendices to this circular.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

Yours faithfully
For and on behalf of the Board
Li Kwok Cheung, George
Executive Director

The Appendix serves as an explanatory statement, as required by the Listing Rules, to provide information to you with regard to the Repurchase Mandate.

1. THE LISTING RULES

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their securities on the Stock Exchange or on another stock exchange on which the securities of the companies may be listed and recognised for this purpose by the Securities and Futures Commission and the Stock Exchange subject to certain restrictions, the more important of which are summarised below:

(a) Source of funds

Repurchases must be funded out of funds legally available for such purpose in accordance with the constitutive documents of the company and the laws of the jurisdiction in which the company is incorporated.

(b) Maximum number of shares to be repurchased

The shares which are proposed to be repurchased by a company must be fully paid up. A maximum of 10 per cent. of the issued share capital as at the date of passing the relevant resolution may be repurchased on the Stock Exchange.

2. SHARE CAPITAL

As at July 19, 2004 (the latest practicable date prior to the printing of this circular), there were 1,059,778,200 Shares in issue and subject to the passing of the necessary ordinary resolution and on the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, exercise in full of the Repurchase Mandate could accordingly result in up to 105,977,820 Shares being repurchased by the Company during the course of the period prior to the next annual general meeting to be held in 2005.

3. REASONS FOR REPURCHASES

The Board believe that it is in the best interests of the Company and its shareholders to have a general authority from shareholders to enable the Board to repurchase the Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or net assets per Share and/or its earnings per Share and will only be made when the Board believe that such repurchases will benefit the Company and its shareholders.

4. FUNDING OF REPURCHASES

Repurchases of the Shares will be funded entirely from the Company's available cash flow or working capital facilities, and will, in any event, be made out of funds legally available for the purchase in accordance with the Memorandum and Articles of Association of the Company and the applicable laws of the Cayman Islands.

There might be a material adverse effect on the working capital requirements or gearing levels of the Company (as compared with the position disclosed in the audited accounts contained in the 2004 Annual Report) in the event that the Repurchase Mandate is exercised in full at any time. However, the Board do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing levels of the Company at the time of the relevant purchases unless the Board determine that such repurchases are, taking account of all relevant factors, in the best interests of the Company.

5. GENERAL

The Board have undertaken to the Stock Exchange that they will exercise the powers of the Company to make repurchase pursuant to the Repurchase Mandate and in accordance with the Listing Rules and any applicable laws of the Cayman Islands.

None of the directors nor, to the best of their knowledge having made all reasonable enquiries, their associates, have any present intention to sell any Shares to the Company under the Repurchase Mandate if the same is approved by the shareholders.

No other connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell any Shares to the Company, or have undertaken not to do so, in the event that the Repurchase Mandate is approved by the shareholders.

If a shareholder's proportionate interest in the voting rights of the Company increases as a result of the Board exercising the powers of the Company to repurchase its Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition of voting rights for the purpose of Rule 32 of the Hong Kong Code on Takeovers and Mergers (the "Takeovers Code"). Accordingly, a shareholder or group of shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 and 32 of the Takeovers Code. Pursuant to the transitional provisions that are set out in the new Rule 26.6 of the Takeovers Code, a person, or two or more persons acting in concert, holds 30% or more but less than 35% of the voting rights of the Company prior to October 19, 2001 and stays in that range, the old 35% trigger will apply to him or them. The transitional provisions will remain in force for so long as such shareholding remains in that range and for 10 years from October 19, 2001. As at July 19, 2004 (the latest practicable date prior to the printing of this circular), Fung Fai Growth Limited ("Fung Fai") was interested in 340,000,000 Shares, representing approximately 32.08 per cent. of the issued share capital of the Company. In the event that the Repurchase Mandate is exercised in full, Fung Fai's interest would be increased to approximately 35.65 per cent. of the issued share capital of the Company. If so, this will be deemed as an acquisition of voting rights for the purpose of Rule 32 of the Takeovers Code and takeovers obligations arise for Fung

Fai. The Board have no intention to repurchase Shares to such an extent as would result in takeovers obligations. Save as disclosed above, the Board are not aware of any consequences which may arise under the Takeovers Code as a result of any repurchase made under the Repurchase Mandate.

6. REPURCHASES OF SHARES MADE BY THE COMPANY

No repurchases of Shares have been made by the Company (whether on the Stock Exchange or otherwise) in the six months proceeding the Latest Practicable Date.

7. THE SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange during each of the previous twelve months and the current month (up to July 19, 2004, the latest practicable date prior to the printing of this circular) were as follows:

	The Shares	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
July 2003	0.118	0.110
August 2003	0.118	0.100
September 2003	0.120	0.087
October 2003	0.110	0.090
November 2003	0.102	0.100
December 2003	0.100	0.088
January 2004	0.098	0.087
February 2004	0.098	0.098
March 2004	0.101	0.090
April 2004	0.101	0.101
May 2004	0.101	0.100
June 2004	0.100	0.100
July 2004	0.100	0.100

APPENDIX II DETAILS OF DIRECTOR PROPOSED FOR RE-ELECTION

The following are the particulars of the Director to be retired and proposed to be re-elected at the AGM:

Executive Director

Mr. Cheng Wai Lun, Andrew (“Mr. Cheng”), aged 31, is an executive Director. He holds a bachelor’s degree in California State University, the USA. He has over seven years’ experience in securities, corporate finance and direct investment. He was appointed as an executive Director on January 30, 2002.

Mr. Cheng has no fixed term of service with the Company but will be subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association of the Company. He is entitled to director’s emoluments of HK\$12,000 per annum, which are determined based on the market rate and his anticipated time, effort and expertise to be exercised on the Group’s affairs.

As at July 19, 2004 (the latest practicable date prior to the printing of this circular), Mr. Cheng had corporate interests in 340,000,000 shares of the Company, representing 32.08% of the total issued share of the Company, within the meaning of Part XV of the SFO.

Mr. Cheng is one of the discretionary objects of a trust which assets include interests in the entire issued share capital of Fung Fai Growth Limited. Fung Fai Growth Limited holds 340,000,000 shares of the Company.

Independent Non-Executive Director

Mr. Wong Wai Kwong, David (“Mr. Wong”), aged 46, is an independent non-executive Director. Mr. Wong has over 20 years’ experience in finance, accounting, corporate and taxation affairs. He is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Society of Accountants. Mr. Wong is currently an independent non-executive director of (1) Cross-Harbour (Holdings) Limited (stock code: 032), (2) Upbest Group Limited (stock code: 335), (3) Y. T. Realty Group Limited (stock code: 075) and (4) Yugang International Limited (stock code 613) and a non-executive director of (1) EganaGoldpfeil (Holdings) Limited (stock code: 048), (2) Egana Jewellery & Pearls Limited (stock code: 926) and (3) Tonic Industries Holdings Limited (stock code: 978). He is also a director of International Taxation Advisory Services Limited and an executive director of Incutech Investments Limited (stock code: 356). He was appointed as an independent non-executive Director on November 23, 1999.

Mr. Wong has no fixed term of service with the Company but will be subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association of the Company. He is entitled to director’s emoluments of HK\$12,000 per annum, which are determined based on the market rate and his anticipated time, effort and expertise to be exercised on the Group’s affairs.

Mr. Wong is not connected with the directors, chief executive or substantial shareholders of the Company, and as at the date of this circular, he has no interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of UBA Investments Limited (the “Company”) will be held at 2nd Floor, Wah Kit Commercial Centre, 302 Des Voeux Road Central, Hong Kong on August 23, 2004 at 9:30 a.m. for the following purposes:

1. To receive and consider the Financial Statements and the Reports of the Directors and Auditors for the year ended March 31, 2004.
2. To re-elect Directors and to authorise the Board to fix their remuneration.
3. To re-appoint Auditors for the ensuing year and to authorise the Board to fix their remuneration.
4. To consider as special business and, if thought fit, pass with or without amendments, the following resolutions as Ordinary Resolutions:

(A) **“THAT:**

- (a) subject to paragraph (c) of this Resolution and without prejudice to Resolution 4(C) set out in the Notice of this Meeting, the exercise by the Board during the Relevant Period (as defined in paragraph (d) of this Resolution) of all powers of the Company to issue, allot and deal in shares of HK\$0.01 each in the capital of the Company (the “Shares”) and to issue, allot or grant securities convertible into Shares or options, warrants or similar rights to subscribe for any shares in the Company or such convertible securities and to make or grant offers, agreements and options which would or might require the exercise of such powers, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this Resolution shall authorise the Board during the Relevant Period to make or grant offers, agreements and options 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 Board pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to:
 - (i) a Rights Issue (as defined in paragraph (d) of this Resolution); or
 - (ii) any scrip dividend scheme or similar arrangements implemented in accordance with the Article of Association of the Company; or
 - (iii) an issue of Shares under the share option scheme of the Company or any similar arrangements for the time being adopted by the Company for the grant or issue to employees or directors of the Company and/or any of its subsidiaries of Shares or right to acquire Shares; or

NOTICE OF ANNUAL GENERAL MEETING

- (iv) the exercise of the rights of subscription or conversion under the terms of any securities or notes for the time being in force which are convertible into any shares in the Company;

shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this Resolution and the said approval shall be limited accordingly;

- (d) for the purposes of this Resolution: “Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable law of the Cayman Islands to be held; and
- (iii) the revocation or variation of this Resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the Board to holders of Shares on the register 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 legal or practical problems under the laws of, or the requirements of any recognized regulatory body or any stock exchange in any territory).”

(B) **“THAT:**

- (a) subject to paragraph (b) of this Resolution, the exercise by the Board during the Relevant Period (as defined in Resolution 4(A)(d) set out in the Notice of this Meeting) of all the powers of the Company to repurchase the Shares on The Stock Exchange of Hong Kong Limited or on any other exchange on which the Shares may be listed and which is recognized by the Securities and Futures Commission and The Stock Exchange of Hong Kong Limited (the “Recognised Stock Exchange”) subject to and in accordance with all applicable laws, and in accordance with the provisions of, and in the manner specified in, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or the rules of any other Recognised Stock Exchange, be and is hereby generally and unconditionally approved; and
- (b) the aggregate nominal amount of the Shares to be repurchased or agreed conditionally or unconditionally to be repurchased by the Company 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 as at the date of the passing of this Resolution and the said approval shall be limited accordingly.”

NOTICE OF ANNUAL GENERAL MEETING

- (C) “**THAT** subject to the passing of Resolutions 4(A) and 4(B) set out in the Notice of this Meeting, the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Board pursuant to and in accordance with the approval given in Resolution 4(A) set out in the Notice of this Meeting be and is hereby increased and extended by the addition of the aggregate nominal amount of the Shares which may be repurchased by the Company pursuant to and in accordance with the approval given in Resolution 4(B) set out in the Notice of this Meeting provided that such amount shall not exceed the aggregate nominal amount of the Shares repurchased pursuant to the said Resolution 4(B) and the said approval shall be limited accordingly.”
5. To consider as special business and, if thought fit, pass with or without amendments, the following resolutions as special resolution:

“**THAT** the articles of association of the Company be amended as follows:

- (A) By adding the following new definitions and references, within appropriate alphabetic order, to Article 2:

“associate” shall have the same meaning ascribed to it under the Listing Rules

- (B) By deleting the existing definitions and replacing by the following new definitions, within appropriate alphabetic order to Articles 2:

“electronic” shall mean those applications, usage, utilization whatsoever of or relating to technology having electrical, digital, magnetic, wireless, optical electromagnetic or similar capabilities or characteristics

“Recognised Clearing House” shall mean a recognized clearing house as referred to in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) or a clearing house or authorised share depository recognized by the laws of the jurisdiction in which the shares of the Company are listed or quoted on a stock exchange in such jurisdiction

“subsidiary” and “holding company” shall have the meaning attributed to such terms in the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) as in force from time to time, but the term “subsidiary” shall include with the definition of “subsidiary” under Rule 1.01 of the Listing Rules

- (C) By inserting at the end of existing Article 96 the following new paragraph:

“Where any member is under the Listing Rules, required to abstain from voting for or against any particular or restricted to voting for or 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 first paragraph of Article 100 in its entirety and replacing by the following new paragraph:

At any general meeting a resolution put to the vote at the meeting shall be determined in the first instance by a show of hands of the members present in person or by proxy or (in the case of a member being a corporation) by its duly authorized representative and entitled to vote unless a poll is required under the Listing Rules or (before or on the declaration of the result of the show of hands) is duly demanded by:

- (E) By inserting immediately after the existing Article 102 with the following paragraph:

The demand for a poll so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.

- (F) By deleting the existing Article 139 in its entirety and replacing by the following new Article 139:

139. Save as otherwise provided by the Articles, a Director shall not be entitled to vote (nor be counted in the quorum) on any resolution of the Board in respect of any contract or arrangement or any other proposal in which he or any of his associate(s) has material interest but this prohibition shall not apply to any of the following matters:

- (a) the giving of any security or indemnity either:
 - (i) to the Director or his associate(s) in respect of money lent or obligations incurred by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries; or
 - (ii) 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 whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (b) any proposal concerning an offer of shares or debentures or other securities of or by the Company or for any 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;
- (c) any proposal concerning any other company in which the Director or his associate(s) is/are interested only, directly or indirectly, whether as an officer or executive or shareholder, or in which the Director or his associate(s) is/are beneficially interested in the shares of that company, provided that he and any of his associates, are not in aggregate

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beneficially interested in 5% 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 associates is derived) or of the voting rights;

- (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 proposal or arrangement concerning the adoption, modification or operation of an employees' share scheme under which the Director or his associate(s) may benefit other than any proposal in relation to the grant of rights under the scheme to him/them or the modification of any rights previously granted to him/them other than in circumstances where such rights are proposed to be amended in similar manner to rights held by other employees and without any special privilege or advantage being accorded; or
 - (f) any proposal or arrangement concerning the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to the Directors or his associates(s) and employees of the Company or any of its subsidiaries and does not provide in respect of any Director of the Company or any of its subsidiaries or his associate(s), as such any privileges or advantages not generally accorded to the class of persons to which such scheme or fund relates.
- (G) By deleting the existing Article 141 in its entirety and replacing by the following new Article 141:

141. If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director or his associates(s) (other than the Chairman of the meeting) or as to the entitlement of any Director (other than such chairman) to vote or be counted in the quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, 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 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 be counted in the quorum and 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 any of his associate(s) as known to such chairman has not been fairly disclosed to the Board.

NOTICE OF ANNUAL GENERAL MEETING

- (H) By deleting the existing Article 161 in its entirety and replacing by the following new Article 161:

161. No person, other than a retiring Director, shall, unless recommended by the Directors for election, be eligible for election to the office of director at any general meeting, unless during the period commencing no earlier than the day after the dispatch of the notice of the meeting appointed for such election and ending no later than seven days prior to the date of such meeting, a notice in writing signed by a member (not being the person to be proposed) duly qualified to be present and vote at the meeting for which such notice is given of his intention to propose that person for election as a Director and notice in writing signed by that person to be proposed of his willingness to be elected shall have been delivered to the Company's principal place of business in Hong Kong not less than seven days before the date of the general meeting.

- (I) By inserting at the end of existing Article 227 the following paragraph:

“Without limiting the generality of the foregoing but subject to the applicable laws and regulations and these Articles and any rules prescribed by the Exchange from time to time, a notice or document may be served or delivered by the Company to any shareholder by electronic means to such address as may from time to time be authorised by the shareholder concerned or by publishing it on a computer network and notifying the shareholder concerned, in such manner as he may from time to time authorise, that it has been so published.”

- (J) By inserting the following new Article 227A:

227A. Any such notice or document may be served or delivered by the Company by reference to the register as it stands at any time not more than fifteen days before the date of service or delivery. No change in the register after that time shall invalidate that service or delivery. Where any notice or document is served or delivered to any person in respect of a share in accordance with these Articles, no person deriving any title or interest in that share shall be entitled to any further service or delivery of that notice or document.

- (K) By deleting the existing Article 231 in its entirety and replacing by the following new Article 231:

231. Any notice or other document, if sent by mail, postage prepaid, shall be deemed to have been served or delivered on the day following that on which the letter, envelope, or wrapper containing the same is put into the post. In proving such service it shall be sufficient to prove that the letter, envelope or wrapper containing the notice or document was properly addressed and put into the post as prepaid mail. Any notice or document not sent by post but deposited by the Company at a registered address shall be deemed to have been served or delivered on the day that it was so deposited. Any notice or document, if sent

NOTICE OF ANNUAL GENERAL MEETING

by electronic means (including through any relevant system), shall be deemed to have been given on the day following that on which the electronic communication was sent by or on behalf of the Company. Any notice or document served or delivered by the Company by any other means authorised in writing by the shareholder concerned shall be deemed to have been served when the Company has carried out the action it has been authorised to take for that purpose. Any notice or other document published by way of advertisement or on a computer network shall be deemed to have been served or delivered on the day it was so published.

Subject to any special provisions contained in these Articles or in any applicable laws or regulations, all notices required to be given by advertisement shall be advertised in at least one daily Chinese language and one daily English language newspaper circulating in Hong Kong or by electronic communication in the manner in which notices may be served by the Company by electronic means as may be prescribed by the Directors from time to time.

Except where otherwise expressly stated, any notice to be given to or by any person pursuant to these Articles shall be in writing or, to the extent permitted by any applicable rules prescribed by the Exchange from time to time and subject to this Articles, contained in an electronic communication. A notice calling a meeting of the Directors need not be in writing.

(L) By inserting the following new Article 231A

231A. Any notice or document required to be sent to or served upon the Company, or upon any officer of the Company, may be sent or served by leaving the same or sending it through the post in a prepaid envelop or wrapper addressed to the Company or to such officer at the Company's head office or registered office.

The Directors may from time to time specify the form and manner in which a notice may be given to the Company by electronic means, including one or more addresses for the receipt of an electronic communication, and may prescribe such procedures as they deem fit for verifying the authenticity or integrity of any such electronic communication. Any notice may be given to the Company by electronic means only if it is given in accordance with the requirements specified by the Directors.

By Order of the Board
Li Kwok Cheung, George
Company Secretary

Hong Kong, July 22, 2004

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. The register of members of the Company will be closed from August 16, 2004 to August 23, 2004, both days inclusive, for the purpose of establishing the entitlement of members to vote at the meeting convened by the above notice. During this period, no transfer of shares of the Company will be registered. In order to qualify for voting, all transfers of shares of the Company accompanied by the relevant share certificates must be lodged for registration with the Company's Share Registrar, Standard Registrars Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, not later than 4:00 p.m. on August 13, 2004.
2. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and vote on his behalf. A proxy need not be a member of the Company.
3. To be valid, a form of proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such authority, must be deposited at the principal place of business of the Company at 2nd Floor, Wah Kit Commercial Centre, 302 Des Voeux Road Central, Hong Kong, not less than 48 hours before the time appointed for holding of the meeting or adjourned meeting thereof.
4. At the annual general meeting of the Company held on July 8, 2003, Ordinary Resolutions were passed giving general mandates to Board of the Company to repurchase shares of the Company on the Stock Exchange and to allot, issue and otherwise deal with additional shares in the capital of the Company respectively. Under the terms of the Companies Ordinance and the Listing Rules these general mandates lapse at the conclusion of the Annual General Meeting for 2004, unless renewed at that meeting. The Ordinary Resolutions sought in items 4(A) and 4(B) of the above notice renew these mandates.
5. With reference to the Ordinary Resolutions sought in items 4(A) and 4(B) of the above notice, the Board of the Company wish to state that they have no immediate plans to repurchase any existing shares or to issue any new shares of the Company. Approval is being sought from members of the Company as a general mandate pursuant to the Companies Ordinance and the Listing Rules.
6. A circular containing further details regarding Resolutions 4 and 5 above will be sent to shareholders as soon as practicable.