
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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



DYNAMIC HOLDINGS LIMITED

達力集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 029)

**PROPOSALS FOR
GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES
RE-ELECTION OF DIRECTORS
AMENDMENTS TO EXISTING BYE-LAWS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting of the Company to be held at Unicorn Room, Basement 2, The Charterhouse, 209–219 Wanchai Road, Wanchai, Hong Kong on Wednesday, 22nd December, 2004 at 11:00 a.m. is set out on pages 10 to 15 of this circular. Whether or not you are able to attend the meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the principal place of business of the Company at 17th Floor, Eton Tower, 8 Hysan Avenue, Causeway Bay, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjourned meeting. Completion and return of the form of proxy will not preclude you from subsequently attending and voting in person at the meeting if you so wish.

29th October, 2004

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DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at Unicorn Room, Basement 2, The Charterhouse, 209–219 Wanchai Road, Wanchai, Hong Kong on Wednesday, 22nd December, 2004 at 11:00 a.m.
“Board”	the board of Directors
“Bye-Laws”	the Bye-Laws of the Company
“Codes”	the Hong Kong Codes on Takeovers and Mergers
“Companies Act”	the Companies Act 1981 of Bermuda (as amended)
“Company”	Dynamic Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the securities of which are listed on the Stock Exchange
“Director(s)”	director(s) of the Company
“Latest Practicable Date”	26th October, 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
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of HK\$1.00 each in the share capital of the Company
“Shareholders”	holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited



DYNAMIC HOLDINGS LIMITED

達力集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 029)

Executive Directors:

Mr. CHUA Domingo (*Chairman*)
Mr. PANG Kit Man, John (*Chief Executive Officer*)
Mr. TANENGLIAN Mariano Chua
Mr. TAN Lucio Jr. Khao
Mr. CHEUNG Chi Ming

Registered Office:

Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

Independent Non-executive Directors:

Mr. CHONG Kim Chan, Kenneth
Mr. SY Robin
Mr. MAK Kwai Wing, Alexander

Principal Place of Business:

17th Floor
Eton Tower
8 Hysan Avenue
Causeway Bay
Hong Kong

29th October, 2004

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR
GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES
RE-ELECTION OF DIRECTORS
AMENDMENTS TO EXISTING BYE-LAWS
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you with information relating to the ordinary resolutions and special resolution to be proposed at the forthcoming Annual General Meeting relating to (a) the granting of general mandates to the Directors to repurchase and issue Shares; (b) the re-election of Directors; and (c) the proposed amendments to the existing Bye-Laws.

2. GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES

At the Annual General Meeting, ordinary resolutions will be proposed at the Annual General Meeting to renew the general mandates previously granted to the Directors to (a) repurchase Shares on the Stock Exchange of up to 10% of the issued share capital of the Company at the date of passing of the resolutions and (b) allot, issue and otherwise deal with Shares up to a limit of 20% of the issued share capital as at the date of passing of the resolutions plus the number of any Shares repurchased by the Company since the granting of the general mandate (up to a maximum number equivalent to 10% of the issued share capital as at the date of passing the resolution and authorised by a separate ordinary resolution as required by the Listing Rules).

LETTER FROM THE BOARD

An explanatory statement required by the Listing Rules to be sent to the Shareholders in connection with the proposed general mandate to repurchase Shares is set out in Appendix I to this circular. The explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolution at the Annual General Meeting.

3. PROPOSED RE-ELECTION OF DIRECTORS

In accordance with the Bye-Laws 99 and 102 of the Bye-Laws, the Directors who will retire by rotation at the Annual General Meeting are Mr. TANENGLIAN Mariano Chua and Mr. TAN Lucio Jr. Khao, and the Director who will hold office until the Annual General Meeting is Mr. MAK Kwai Wing, Alexander. Such Directors, being eligible, offer themselves for re-election at the Annual General Meeting. Details of such Directors are set out in Appendix II to this circular.

4. AMENDMENTS TO THE EXISTING BYE-LAWS

In addition, your attention is drawn to the special resolution to be proposed at the Annual General Meeting to approve certain amendments to the existing Bye-Laws.

The Stock Exchange has announced certain amendments to the Listing Rules which, subject to certain transitional arrangements, came into effect on 31st March, 2004.

In order to comply with the aforesaid new requirements and to bring the Bye-Laws up-to-date with the Listing Rules and in line with the current practice of corporate governance in Hong Kong, it is also proposed at the Annual General Meeting to amend the existing Bye-Laws by special resolution.

Summary explanation of the proposed amendments to the existing Bye-Laws are set out in Appendix III to this circular.

5. ANNUAL GENERAL MEETING

The notice convening the Annual General Meeting is set out on pages 10 to 15 of this circular.

A form of proxy for use at the Annual General Meeting is enclosed. Whether or not you are able to attend the Annual General Meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the principal place of business of the Company at 17th Floor, Eton Tower, 8 Hysan Avenue, Causeway Bay, Hong Kong no later than 48 hours before the time appointed for holding the Annual General Meeting. Completion and return of the form of proxy will not preclude you from attending and voting at the Annual General Meeting if you so wish.

6. RIGHT TO DEMAND A POLL

Pursuant to Bye-Law 70 of the Bye-Laws, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:

- (i) by the chairman of the meeting; or

LETTER FROM THE BOARD

- (ii) by at least three members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (iii) by any member or members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (iv) by a member or members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy and holding Shares in the Company conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring the right.

7. RECOMMENDATION

The Directors believe that the proposed general mandates to repurchase and issue Shares and the proposed amendments to the existing Bye-Laws are in the interests of the Company and its Shareholders. Accordingly, the Directors recommend you to vote in favour of the resolutions to be proposed at the Annual General Meeting.

Yours faithfully,
By Order of the Board
Dynamic Holdings Limited
CHUA Domingo
Chairman

GENERAL MANDATE TO REPURCHASE SHARES

At the Annual General Meeting, an ordinary resolution will be proposed to renew a general mandate previously granted to the Directors to repurchase Shares on the Stock Exchange of up to 10% of the issued share capital of the Company as at the date of passing of the resolution.

As at the Latest Practicable Date, the number of Shares in issue was 219,103,681. On the basis of such figure, assuming that no Shares will be issued or repurchased thereafter and prior to the Annual General Meeting, the Directors would be authorised to repurchase Shares up to a limit of 21,910,368 Shares.

DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

None of the Directors nor, to the best of the knowledge and belief of the Directors having made all reasonable enquiries, any of their associates has any present intention, in the event that the proposed general mandate to repurchase Shares is approved by Shareholders, to sell Shares to the Company.

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

UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases pursuant to the proposed general mandate to repurchase Shares in accordance with the Listing Rules, all applicable laws of Bermuda and the Memorandum of Association and Bye-Laws of the Company.

EFFECT OF TAKEOVERS CODES

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, Mr. CHUA Domingo, the Chairman of the Company and his associates together held 93,321,279 Shares (approximately 42.59%) and Plus Holdings Limited through its wholly-owned subsidiary held 13,152,000 Shares (approximately 6%) of the issued share capital of the Company, were the substantial shareholders holding more than 5% of the issued share capital of the Company. Mr. CHUA Domingo, his associates and Plus Holdings Limited were not parties acting in concert.

In the event that the Directors should exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the resolution and if there is no other change in issued share capital of the Company, the shareholdings of Mr. CHUA Domingo (together with his associates) in the Company would be increased to approximately 47.32%, which would give rise to an obligation to make a mandatory offer under Rule 26 of the Codes. The Directors have no present intention to exercise the power to repurchase Shares to such extent as it would trigger the same. And the shareholdings of Plus Holdings Limited (through its wholly-owned subsidiary) in the Company would be increased to approximately 6.67%, which would not trigger the same. The exercise in full of the power to repurchase Shares by the Directors also would not reduce the public shareholding in the Company to below 25% of the issued share capital of the Company.

LISTING RULES FOR REPURCHASES OF SHARES

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their shares on the Stock Exchange subject to certain restrictions.

Repurchases must be funded out of funds legally available for the purpose in accordance with the laws of Bermuda, the Memorandum of Association and the Bye-Laws of the Company. It is envisaged that the Company will derive the funds for repurchase of its Shares in accordance therewith.

FUNDING FOR REPURCHASES

The Company is empowered by its Memorandum of Association and Bye-Laws to repurchase its own Shares. Bermuda law provides that any amount repaid in connection with a repurchase of Share(s) may only be paid out of either the capital paid up on the relevant Shares, or the profits that would otherwise be available for distribution by way of dividend or the proceeds of a new issue of Shares made for such purpose. The amount of premium payable on the repurchases, if any, may only be paid out of either the profits that would otherwise be available for distribution by way of dividend or out of the share premium or contributed surplus accounts of the Company.

REASON FOR REPURCHASES

The Directors have no present intention to make any repurchase of the Company's own Shares but consider that the mandate will provide the Company the flexibility to make such repurchases when appropriate and beneficial to the Company and its Shareholders. Such repurchases may enhance the net asset value of the Company and/or earnings per share. Based on the financial position of the Company as at 30th June, 2004 (being the date of its latest audited accounts), the Directors do not expect any material adverse impact on the working capital and on the gearing position of the Company in the event that the proposed repurchases were to be carried out in full during the proposed repurchase period. No repurchases would be made in the circumstances that would have a material adverse impact on the working capital or gearing ratio of the Company.

GENERAL

During each of the six months preceding the date of this circular, the Company has not repurchased any of its Shares. During each of the previous twelve months from 1st October, 2003 to the Latest Practicable Date, the highest and lowest traded prices for Shares on the Stock Exchange were as follows:

Month	SHARES	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2003		
October	1.6100	1.2000
November	1.3000	1.1500
December	1.2100	1.0000
2004		
January	1.2700	1.0600
February	1.3200	1.0900
March	1.3000	1.1000
April	1.1800	1.0300
May	1.0000	0.8300
June	1.0600	0.9000
July	0.9500	0.8400
August	1.0000	0.8900
September	1.0200	0.9000
October up to the Latest Practicable Date	1.0300	0.9000

In accordance with the Bye-Laws, the following Directors, Mr. TANENGLIAN Mariano Chua and Mr. TAN Lucio Jr. Khao shall retire from office by rotation and Mr. MAK Kwai Wing, Alexander will hold office until the Annual General Meeting and they, being eligible, will offer themselves for re-election.

TANENGLIAN MARIANO CHUA

Aged 64, is an executive Director of the Company as appointed in 1997. Mr. TANENGLIAN was not appointed for a specific term but is subject to retirement by rotation and re-election at the Company's annual general meeting.

Mr. TANENGLIAN has extensive experience in business management and treasury. Apart from holding directorships in the group of Eton Properties (Holdings) Limited, property holding companies in Hong Kong, he is vice chairman of Philippine Airlines and holds other directorships and treasury positions in various companies in the Philippines including a bank, hotels, a brewery and industrial plants. And he holds a bachelor degree in commerce . He is the brother-in-law of Mr. CHUA Domingo, the Chairman of the Company and Mr. CHEUNG Chi Ming, Director of the Company and the uncle of Mr. TAN Lucio Jr. Khao, Director of the Company.

At present and in the past three years, Mr. TANENGLIAN holds directorships in listed companies, Allied Banking Corporation, Baguio Gold Holdings Corporation, Macroasia Corporation and Tanduy Holdings, Inc. which are listed on The Philippine Stock Exchange, Inc., other than the Company.

Save as disclosed above and the directorship held in the Company, Mr. TANENGLIAN does not hold any positions in the Company or its subsidiaries, nor have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. TANENGLIAN does not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

There is no service contract entered into between Mr. TANENGLIAN and the Company. And he will be entitled to receive a director's fee or emolument as determined by the Board from time to time and subject to approval by the Company's Shareholders in general meeting. For the year ended 30th June, 2004, no director's fee or emolument was paid to Mr. TANENGLIAN. And further announcement will be made by the Company when such fee or emolument is determined and approved by Shareholders in general meeting.

TAN LUCIO JR. KHAO

Aged 38, is an executive Director of the Company as appointed in 1997. Mr. TAN was not appointed for a specific term but is subject to retirement by rotation and re-election at the Company's annual general meeting. Mr. TAN is also a director of Beijing Longfast Property Development Co. Ltd., a subsidiary of the Company.

Mr. TAN holds a bachelor degree in civil engineering. He is the president and chief executive officer of an airline support and logistics company in the Philippines. He has held senior executive positions in various companies including tobacco and rum industries in the Philippines. He is nephew of Mr. CHUA Domingo, the Chairman of the Company, Mr. TANENGLIAN Mariano Chua and Mr. CHEUNG Chi Ming, Executive Directors of the Company.

At present and in the past three years, Mr. TAN holds directorships in listed companies, Marcoasia Corporation and Tanduay Holdings, Inc. which are listed on The Philippine Stock Exchange, Inc., other than the Company.

Save as disclosed above, Mr. TAN does not hold any positions in the Company or its subsidiaries, nor have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. TAN does not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

There is no service contract entered into between Mr. TAN and the Company. And he will be entitled to receive a director's fee or emolument as determined by the Board from time to time and subject to approval by the Company's Shareholders in general meeting. For the year ended 30th June, 2004, no director's fee or emolument was paid to Mr. TAN. And further announcement will be made by the Company when such fee or emolument is determined and approved by Shareholders in general meeting.

MAK KWAI WING, ALEXANDER

Aged 54, is an independent non-executive Director of the Company appointed on 30th September, 2004. Mr. MAK is appointed for a term of two years but will hold office until the Annual General Meeting and will be eligible for re-election at the same meeting in accordance with the bye-laws of the Company.

Mr. MAK is currently a consultant and an expert of international taxation. He has extensive experience in international tax planning and has worked in tax services for 29 years. He has been the president of the Taxation Institute of Hong Kong and partner of Ernst & Young in tax services. He holds a bachelor degree in Social Science from the University of Hong Kong, and is an associate member of the Australian Society of Certified Practising Accountants and the Taxation Institute of Hong Kong. Mr. MAK is an independent non-executive director of Allied Banking Corporation (Hong Kong) Limited, a restricted licensed bank in Hong Kong, of which Mr. CHUA Domingo, the Chairman and controlling shareholder of the Company, and Mr. TANENGLIAN Mariano Chua, an executive director of the Company, are also directors. At present and in the past three years, Mr. MAK does/did not hold any directorships in any listed companies, other than the Company.

Save as disclosed above and the directorship and member of audit committee held in the Company, Mr. MAK does not hold any positions in the Company or its subsidiaries, nor have any relationships with any directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. MAK does not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

There is no service contract entered into between Mr. MAK and the Company. And he will be entitled to receive a director's fee or emolument on the basis of HK\$20,000 per sitting of either meeting of the Board or general meeting of the Shareholders as determined by the Board according to the Company's practices and subject to approval by the Company's Shareholders in general meeting.

This appendix sets out the summary explanation of the proposed amendments to the existing Bye-Laws. Please refer to the special resolution set out in the notice of the Annual General Meeting in this circular for details of the proposed amendments to the Bye-Laws.

Bye-Law 1	The definition of “associates” is replaced to bring the Bye-Laws up to date with the Listing Rules.
Bye-Law 1	The definition of “Listing Rules” is added to bring the Bye-Laws up to date with the Listing Rules.
Bye-Law 70	The Bye-Law has been amended to provide that voting has to be by poll in the case where required by the Listing Rules to bring the Bye-Laws up to date with the Listing Rules.
Bye-Law 76A	The Bye-Law has been amended to reflect that 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 as required under amended Appendix 3 to the Listing Rules.
Bye-Laws 98(F), (G) and (H)	The Bye-Laws have been amended to be consistent with the provisions of the amended Appendix 3 to the Listing Rules, being that subject to certain exceptions, a Director shall abstain from voting at the board meeting on any matter in which any of his associates has/have a material interest(s) and is/are not to be counted towards the quorum of the relevant board meeting.
Bye-Laws 97(A)(vi) and 104	The Bye-Laws have been amended to reflect the change of the approval requirement for removal of Directors from special resolution to ordinary resolution in light of the revised section 157B of the Companies Ordinance and as permitted under the Companies Act.
Bye-Law 103	The Bye-Law has been amended to be consistent with the amended Appendix 3 to the Listing Rules regarding the minimum seven-day period for lodgment by Shareholders of the notice to nominate a Director to commence no earlier than the day after the despatch of the notice of the meeting appointed for such election and end no later than seven days before the date of such meeting.
Bye-Law 131	The Bye-Law has been amended to reflect the requirement of the Listing Rules that the secretary must not be a corporation and must ordinarily reside in Hong Kong.



DYNAMIC HOLDINGS LIMITED

達力集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 029)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of DYNAMIC HOLDINGS LIMITED (the “Company”) will be held at Unicorn Room, Basement 2, The Charterhouse, 209–219 Wanchai Road, Wanchai, Hong Kong on Wednesday, 22nd December, 2004 at 11:00 a.m. for the purpose of transacting the following business:

As ordinary business:

1. To receive and consider the audited financial statements and the reports of the Directors and Auditors for the year ended 30th June, 2004.
2. To declare a final dividend for the year ended 30th June, 2004.
3. To re-elect retiring Directors and fix their remuneration.
4. To re-appoint Auditors and authorise the Directors to fix their remuneration.

And as special business, to consider and, if thought fit, to pass with or without modification the following resolutions of which resolutions number 5 to 7 will be proposed as ordinary resolutions and resolution number 8 will be proposed as a special resolution:

ORDINARY RESOLUTIONS

5. “**THAT:**
 - (a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to purchase its own securities, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “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 purchase pursuant to paragraph (a) above during the Relevant Period shall not exceed 10 percent 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
 - (c) for the purpose of this resolution, ‘Relevant Period’ means the period from the passing of this resolution until whichever is the earlier of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the Company’s Bye-Laws to be held; and
 - (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the members of the Company in general meeting.”

NOTICE OF ANNUAL GENERAL MEETING

6. “**THAT:**

- (a) subject to paragraph (c) below, 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 or grant shares of the Company or securities convertible into such shares, options, warrants or similar rights to subscribe for any shares of the Company or such convertible securities, and to make or grant offers, agreements or 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) above shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements or options which would or might require the exercise of such powers 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 given in paragraph (a) above, otherwise than pursuant to the exercise of any options granted under any share option scheme adopted by the Company or any offer of any class of securities of the Company made pro rata (apart from fractional entitlements) by the Company to holders of such class of securities (excluding any holder who is resident in a place where such offer is not permitted under the law of that place) or any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Bye-Laws of the Company, shall not exceed 20 percent of the aggregate nominal amount of the issued share capital of the Company at the date of passing this resolution, plus (if the Directors of the Company are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal amount of share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 percent 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
- (d) for the purpose of this resolution, ‘Relevant Period’ means the period from the passing of this resolution until whichever is the earlier of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the Company’s Bye-Laws to be held; and
 - (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the members of the Company in general meeting.”

7. “**THAT** the general mandate granted to the Directors of the Company to exercise the powers of the Company to allot, issue and deal with any additional shares of the Company pursuant to ordinary resolution 6 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 the share capital of the Company repurchased by the Company under the authority granted pursuant to ordinary resolution 5 set out in the notice convening this meeting, provided that such extended amount shall not exceed 10 percent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this resolution.”

NOTICE OF ANNUAL GENERAL MEETING

SPECIAL RESOLUTION

8. “THAT the Bye-Laws of the Company be amended as follows:
- (a) In Bye-Law 1, by deleting the existing definition of “associates” and substituting therefor the following new definition:

“‘associates’ shall have the meaning attributed to it in the Listing Rules.’;
 - (b) in Bye-Law 1, by adding the following new definition of “Listing Rules” after the definition “Statutes”:

“‘Listing Rules’ shall mean the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as may be amended from time to time.’;
 - (c) in Bye-Law 70,
 - (i) by adding the words ‘or, in the case of paragraph (v), required’ after the word ‘demanded’ on the fourth line,
 - (ii) by deleting the punctuation ‘.’ on the last sentence of paragraph (iv) and substituting therefor the punctuation and word ‘; or’,
 - (iii) by adding the following new paragraph (v) immediately after paragraph (iv):

‘(v) by the relevant provisions of the Listing Rules.’;
 - (d) by inserting the following new Bye-Law 76A after the existing Bye-Law 76:

‘76A. 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.’;
 - (e) by deleting the word “Special” in the first line in Bye-Law 97(A)(vi) and substituting therefor the word “Ordinary”;
 - (f) by deleting the existing Bye-Law 98(F) and substituting therefor the following new Bye-Law 98(F):

‘(F) Subject to the Companies Act and to the next paragraph of this Bye-Law, no Director or proposed or intended Director or his associates shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatever, nor shall any such contract or any other contract or arrangement in which any Director or his associates is/are in any way interested be liable to be avoided, nor shall any Director or his associates so contracting or being so interested be liable to account to the Company or the members for any remuneration, profit or other benefits realised by any such contract or arrangement, by reason only of such Director holding that office or the fiduciary relationship thereby established.’;

NOTICE OF ANNUAL GENERAL MEETING

- (g) by deleting the existing Bye-Law 98(G) and substituting therefor the following new Bye-Law 98(G):
- ‘(G) A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest or that of his associates at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration, if he knows his interest or that of his associates then exists, or in any other case at the first meeting of the Board after he knows that he or any of his associates is/are or has/have become so interested. For the purposes of this Bye-Law, a general notice to the Board by a Director to the effect that (a) he or any of his associates is/are member(s) of a specified company or firm and is/are to be regarded as interested in any contract or arrangement which may after the date of the notice be made with that company or firm or (b) he or any of his associates is/are to be regarded as interested in any contract or arrangement which may after the date of the notice be made with a specified person who is connected with him or any of them, shall be deemed to be a sufficient declaration of interest under this Bye-Law in relation to any such contract or arrangement; provided that no such notice shall be effective unless either it is given at a meeting of the Board or the Director takes reasonable steps to secure that it is brought up and read at the next Board meeting after it is given.’;
- (h) by deleting the existing Bye-Law 98(H) and substituting therefor the following new Bye-Law 98(H):
- ‘(H) A Director shall not vote (nor be counted in the quorum) on any resolution of the Board in respect of any contract or arrangement or proposal in which he is or any of his associates are to his knowledge materially interested, and if he shall do so his vote shall not be counted (nor shall he counted in the quorum for that resolution), but this prohibition shall not apply to any of the following matters namely:
- (i) any contract or arrangement for the giving by the Company of any security or indemnity to the Director or his associates in respect of money lent or obligation incurred or undertaken by him or any of them for the benefit of the Company or any of its subsidiaries;
 - (ii) any contract or arrangement for the giving by the Company of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associates has/have himself/themselves guaranteed or secured in whole or in part;
 - (iii) any contract or arrangement by the Director or his associates to subscribe for shares or debentures or other securities of the Company to be issued pursuant to any offer or invitation to the members or debenture holders or to the public which does not provide the Director or his associates any privilege not accorded to any other members or debenture holders or to the public;
 - (iv) any contract or arrangement concerning an offer of the 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 associates is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;

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- (v) any contract or arrangement in which the Director or his associates 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 interest or that of his associates in shares or debentures or other securities of the Company;
 - (vi) any contract or arrangement concerning any other company in which the Director or any of his associates is/are interested directly or indirectly whether as officer(s) or executive(s) or shareholder(s) other than a company in which the Director together with any of his associates own five (5) per cent. or more of the issued shares of any class of the equity share capital of such company or of the voting rights of any class of shares of such company;
 - (vii) any proposal or arrangement for the benefit of employees of the Company or its subsidiaries including the adoption; modification or operation of a pension fund or retirement, death or disability benefit scheme which relates both to Directors or his associates and employees of the Company or of any of its subsidiaries and does not give the Director or his associates any privilege not generally accorded to the class of persons to whom such scheme or fund relates; and
 - (viii) any proposal concerning the adoption, modification or operation of any employees' share scheme involving the issue or grant of options over shares or other securities by the Company to, or for the benefit of the employees of the Company or its subsidiaries under which the Director or his associates may benefit.';
- (i) by deleting the existing Bye-Law 103 and substituting therefor the following new Bye-Law 103:
- '103. No person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been lodged at the Head Office or the Registration Office at least seven days before the date of the general meeting. The period for lodgment of the notices required under this Bye-law will commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting.';
- (j) in Bye-Law 104, by deleting the word 'Special' in the first line and substituting therefor the word 'Ordinary'; and
- (k) in Bye-Law 131, by deleting the words 'If the Secretary appointed is a corporation or other body, it may act and sign by the hand of any one or more of its directors or officers duly authorised.' in the last sentence and substituting therefor the words 'The Secretary shall ordinarily reside in Hong Kong.'"

By Order of the Board
Wong Oi Yee, Polly
Company Secretary

Hong Kong, 29th October, 2004

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Notes:

1. A member entitled to attend and vote at the above meeting may appoint one or more proxies to attend and, vote instead of him. A proxy need not be a member of the Company.
2. In order to be valid, a form of proxy, together with power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof, must be deposited at the principal place of business of the Company at 17th Floor, Eton Tower, 8 Hysan Avenue, Causeway Bay, Hong Kong not less than 48 hours before the time appointed for the above meeting or any adjournment thereof as the case may be.
3. The register of members of the Company will be closed from Thursday, 16th December, 2004 to Wednesday, 22nd December, 2004, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final distribution, all transfers accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrars in Hong Kong, Tengis Limited at Ground Floor, BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong for registration not later than 4:00 p.m. on Wednesday, 15th December, 2004.
4. With respect to resolution number 5, approval is being sought from shareholders of the Company for a general mandate to repurchase shares to be given to the Directors.
5. With respect to resolution number 6, approval is being sought from shareholders of the Company for a general mandate to issue shares to be given to the Directors.
6. With respect to resolution number 7, approval is being sought from shareholders of the Company for an extension of the general mandate granted to the Directors to allot and issue shares by adding to it the number of shares purchased under the authority granted pursuant to resolution number 5.
7. In accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Hong Kong Code on Share Repurchases, an explanatory statement containing further details regarding resolution number 5 is set out in Appendix I to the circular to shareholders of the Company dated 29th October, 2004.
8. With respect to resolution number 8, approval is being sought from shareholders of the Company for amendments to the existing Bye-Laws of the Company.