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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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

**If you have sold or transferred** all your shares in Lam Soon (Hong Kong) Limited, you should at once hand this circular to the purchaser or transferee or to the Bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

This circular includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information about certain resolutions to be proposed at the forthcoming Annual General Meeting of Lam Soon (Hong Kong) Limited. The directors of Lam Soon (Hong Kong) Limited 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.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.

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## **LAM SOON (HONG KONG) LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 00411)**

### **ANNUAL GENERAL MEETING AMENDMENTS TO THE ARTICLES OF ASSOCIATION GENERAL MANDATES TO ISSUE AND REPURCHASE SECURITIES AND RE-ELECTION OF DIRECTORS**

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A letter from the Board is set out on pages 2 to 4 of this circular. A notice convening the Annual General Meeting of Lam Soon (Hong Kong) Limited to be held at 3rd Floor, Lam Soon Building, 21 Dai Fu Street, Tai Po Industrial Estate, Tai Po, New Territories, Hong Kong on 14 September 2005 is set out on pages 15 to 31 of the circular. Whether or not you intend to attend the meeting, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event no later than 48 hours before the time appointed for the holding of the meeting or any adjourned meeting as the case may be. Completion and delivery of the form of proxy will not preclude you from attending and voting at the meeting should you so wish.

19 August 2005

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## DEFINITIONS

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

“Annual General Meeting” or “AGM”	the annual general meeting of the Company to be held on 14 September 2005
“Articles of Association”	the existing Articles of Association of the Company
“Board”	the board of directors of the Company
“Company” or “Lam Soon”	Lam Soon (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability
“Companies Ordinance”	the Companies Ordinance, Chapter 32 of the Laws of Hong Kong
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Leong Group Company”	Hong Leong Company (Malaysia) Berhad, a private company incorporated in Malaysia, and its subsidiaries
“Latest Practicable Date”	12 August 2005, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Period”	eighteen months from 1 January 2004 to 30 June 2005
“Shareholders”	holders of Shares
“Shares”	shares of par value HK\$1.00 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

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## LETTER FROM THE BOARD

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### LAM SOON (HONG KONG) LIMITED

*(Incorporated in Hong Kong with limited liability)*

*Directors:*

Whang Tar Choung, *Chairman*  
Ng Ping Kin, Peter, M.Sc., J.P., *Vice Chairman\**  
Leung Wai Fung, *Executive Director*  
Whang Sun Tze  
Lo Kwong Chi, *Clement\**  
Kwek Leng Hai  
Tan Lim Heng  
James Eng, Jr  
Tsang Cho Tai  
Ho King Cheung  
Takagi Shigeyoshi\*  
Ding Wai Chuen\*  
Yong Weng Chye  
– *alternate director to Whang Tar Choung*  
Ikeda Hiromi  
– *alternate director to Takagi Shigeyoshi*

*Registered Office:*

21 Dai Fu Street  
Tai Po Industrial Estate  
Tai Po  
New Territories  
Hong Kong

*\* Independent Non-Executive Director*

19 August 2005

*To the Shareholders of Lam Soon (Hong Kong) Limited*

Dear Sir or Madam,

**ANNUAL GENERAL MEETING**  
**AMENDMENTS TO THE ARTICLES OF ASSOCIATION**  
**GENERAL MANDATE TO ISSUE AND TO REPURCHASE SECURITIES**  
**AND**  
**RE-ELECTION OF DIRECTORS**

#### INTRODUCTION

The purpose of this circular is to provide you with information in respect of resolutions to be proposed at the Annual General Meeting for (i) certain amendments to the Articles of Association; (ii) the granting of general mandates to the Directors to issue and repurchase Shares and (iii) the re-election of Directors and other relevant information regarding the Annual General Meeting.

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## LETTER FROM THE BOARD

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### AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION

In view of (i) the commencement of the Securities and Futures Ordinance (“SFO”) on 1 April 2004; (ii) the changes to the Listing Rules which took effect on 31 March 2004 and (iii) the various amendments to the Companies Ordinance which came into effect on 13 February 2004, the Directors propose to amend the Articles of Association of the Company to reflect the aforesaid changes.

Details of the proposed amendments to the Articles of Association of the Company are set out in special resolution no. 5 in the Notice of the Annual General Meeting on pages 15 to 31 of this circular.

### GENERAL MANDATES TO ISSUE AND REPURCHASE SECURITIES

At the Annual General Meeting of the Company held on 18 March 2004, ordinary resolutions were passed granting general mandates to the Directors, inter alia, (i) to repurchase Shares not exceeding 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at 18 March 2004 and (ii) to allot, issue and deal with Shares not exceeding the aggregate of 20 per cent. of the aggregate nominal amount of the issued share capital of the Company as at 18 March 2004 and those Shares not exceeding 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at 18 March 2004 repurchased by the Company (collectively referred to as “Existing General Mandates”). A copy of such resolutions had been delivered to the Stock Exchange in accordance with the Listing Rules. The Company had previously sent to the Shareholders an explanatory statement regarding the Existing General Mandates in compliance with the Listing Rules.

In accordance with the provisions of the Listing Rules and the terms of the Existing General Mandates, the Existing General Mandates shall lapse if, inter alia, they are revoked or varied by an ordinary resolution of the Shareholders in general meeting or at the conclusion of the next annual general meeting of the Company, whichever is earlier.

The Existing General Mandates will lapse at the conclusion of the Annual General Meeting of the Company. Accordingly, new general mandates to issue and to repurchase securities, respectively, as set out in ordinary resolution nos. 6A, 6B and 6C of the notice of Annual General Meeting on pages 15 to 31 of this circular, are now proposed to be granted. With reference to the proposed new general mandates, the Directors wish to state that, as at the date hereof, they have no immediate plans to repurchase any existing Shares or to issue any new securities pursuant to the relevant mandates.

An explanatory statement required by the Listing Rules to be sent to the Shareholders in connection with the proposed general mandate to repurchase securities 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.

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## LETTER FROM THE BOARD

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### RE-ELECTION OF DIRECTORS

Pursuant to the Memorandum and Articles of Association of the Company, all the Directors will retire from office at the AGM and, being eligible, offer themselves for re-election. Details of the Directors required to be disclosed under the Listing Rules are set out in Appendix II to this circular.

### ANNUAL GENERAL MEETING

A notice convening the Annual General Meeting is set out on pages 15 to 31 of this circular.

There is no Shareholder that is materially interested in the proposed resolutions regarding the amendments to the Articles of Association and general mandates to issue and repurchase Shares and therefore none of the Shareholders shall abstain from voting in respect of such resolutions.

Pursuant to the Articles of Association, at any general meeting of the Company a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is demanded. Details of the procedures by which Shareholders may demand a poll are set out in Appendix III to this circular.

A form of proxy for use at the Annual General Meeting is enclosed. Shareholders are requested to complete the form of proxy and return it to the registered office of the Company at 3rd Floor, Lam Soon Building, 21 Dai Fu Street, Tai Po Industrial Estate, Tai Po, New Territories, Hong Kong in accordance with the instructions printed on it not less than 48 hours before the time fixed for holding the meeting, whether or not they intend to be present at the meeting.

### RECOMMENDATION

The Directors believe that the amendments to the Articles of Association, the granting of the mandates to repurchase Shares and issue Shares and re-election of the said Directors are in the best interests of the Company and Shareholders as a whole and accordingly recommend Shareholders to vote in favour of the relevant resolutions set out in the notice of the Annual General Meeting on pages 15 to 31 of this circular.

Your attention is drawn to the information set out in Appendices I and III to this circular.

Yours faithfully,  
For and on behalf of the Board  
**Wang Tar Choung**  
*Chairman*

**GENERAL MANDATE TO REPURCHASE SHARES**

At the Annual General Meeting, an ordinary resolution will be proposed that the Directors be given a general and unconditional mandate (the “Repurchase Mandate”) to exercise all the powers of the Company to repurchase on the Stock Exchange the issued and fully paid Shares in the capital of the Company. Under such mandate, the number of Shares that the Company may repurchase shall not exceed 10% of the share capital of the Company in issue on the date of passing the resolution.

Shareholders should note that the Repurchase Mandate covers purchases made only during the period ending on the earliest of the date of the next annual general meeting of the Company, the date by which the next annual general meeting of the Company is required to be held by its Articles of Association or any applicable laws and the date upon which such authority is revoked or varied.

On the Latest Practicable Date, 243,354,165 Shares were in issue and fully paid. Assuming that there are no changes (from the Latest Practicable Date to the date of the Annual General Meeting) in the Company’s issued and fully paid share capital, the maximum number of Shares that may be repurchased by the Company pursuant to the Repurchase Mandate will be 24,335,416.

**DIRECTORS 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 a present intention, in the event that the Repurchase Mandate is approved by the Shareholders, to sell Shares to the Company on the Stock Exchange.

No persons who are connected persons (who are the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or their associates (as defined in the Listing Rules)) have notified the Company that they have a present intention to sell Shares to the Company or have undertaken not to sell any of the Shares held by them to the Company, in the event that the Company is authorized to make purchases of Shares, on the Stock Exchange.

**DIRECTORS’ UNDERTAKING**

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases pursuant to the Repurchase Mandate in accordance with the Listing Rules and all applicable laws of the Hong Kong Special Administrative Region and in accordance with the regulations set out in the Company’s Memorandum and Articles of Association.

**EFFECT OF THE HONG KONG CODE ON TAKEOVERS AND MERGERS**

If on the exercise of the power of repurchase Shares pursuant to the Repurchase Mandate, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights and may give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Mr. Whang Tar Choung and his family members and their respective associates (together "TC Whang Family") in aggregate beneficially held 37,905,988 Shares representing approximately 15.58 per cent. of the issued share capital of the Company, Guoinvest International Limited ("Guoinvest") and GuoLine International Limited ("GuoLine") beneficially held in total of 140,008,659 Shares, representing approximately 57.53 per cent. of the issued share capital of the Company. Under rule 26 of the Takeovers Code, TC Whang Family, Guoinvest and GuoLine are parties acting in concert pursuant to the shareholders' agreement and the supplemental agreement both dated 27 May 1997 and the Novation Agreement dated 5 September 2003. The combined shareholdings of TC Whang Family, Guoinvest and GuoLine and parties acting in concert with them (the "Concert Group") amounted to 177,914,647 Shares representing 73.11 per cent. of the issued share capital of the Company as at Latest Practicable Date.

On the basis of the above figures, exercise in full of the general repurchase mandate would result in aggregate shareholding of the Concert Group in the Company being increased to approximately 81.23 per cent. The Directors are not aware of any general offer obligation which will arise under Rule 26 of the Takeovers Code as a result of any purchases made under the Repurchase Mandate.

**PUBLIC FLOAT**

The Directors do not have a present intention to exercise the Repurchase Mandate to such extent, causing the public float of the securities of the Company to fall below 25%.

**LISTING RULES FOR REPURCHASE OF SHARES****Shareholders' Approval**

The Listing Rules provide that all securities repurchased on the Stock Exchange by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of general mandate or by specific resolution in relation to specific transaction.

**Reasons for Repurchase**

The Directors consider that the Repurchase Mandate will provide the Company with the flexibility to make such repurchases when appropriate and beneficial to the Company and its shareholders. Such purchases may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share.



**Source of Funds**

Repurchase must be made from internal resources, borrowings and/or other funds legally available for such purpose in accordance with the Company's Articles of Association and the laws of the Hong Kong Special Administrative Region.

On the basis of the consolidated financial position of the Company as at 30 June 2005 (being the date to which the latest published audited financial statements of the Company have been made up) and in particular the working capital position and gearing ratio of the Company and the number of Shares in issue, the Directors consider that there will not be a material impact on the working capital or the gearing position of the Company in the event that the proposed purchases were to be carried out in full at any time during the proposed repurchase period. No purchase would be made in circumstances that would have a material adverse impact on the working capital or gearing ratio of the Company (as compared with the position disclosed in the latest published audited financial statements for the year ended 31 December 2003) unless the Directors consider that such purchases were in the best interests of the Company.

**SHARE REPURCHASE MADE BY THE COMPANY**

The Company has not repurchased any of its Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

**GENERAL**

During each of the twelve months preceding the Latest Practicable Date, the highest and lowest traded prices for Shares on the Stock Exchange were as follows:

	<b>Highest (HK\$)</b>	<b>Lowest (HK\$)</b>
<b>2004</b>		
August	2.650	2.400
September	2.600	2.350
October	2.850	2.400
November	2.750	2.500
December	2.750	2.500
<b>2005</b>		
January	2.800	2.600
February	3.025	2.675
March	3.050	2.600
April	2.950	2.800
May	2.900	2.750
June	2.900	2.675
July	2.750	2.525

As required by the Listing Rules, the following are the particulars of the directors who will retire and be eligible for re-election at the AGM:

1. **WHANG Tar Choung**, aged 82, is the founder of the Company. He is the chairman of the Board and a non-executive Director since incorporation of the Company in 1961. He is the father of Dr. Whang Sun Tze. Apart from the foregoing, he does not have any relationship with any other Directors or senior management or substantial or controlling shareholders of the Company. Mr. Whang has over 40 years experience in the food industry.

As at the Latest Practicable Date, Mr. Whang was interested in 177,914,647 Shares within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”). There is no service contract between Mr. Whang and the Company. Mr. Whang is not appointed for a specific term but subject to retirement and re-election at the annual general meeting pursuant to the Company’s Articles of Association. For the Period, he is entitled to a Director’s fee of HK\$225,000 with reference to the market rate and subject to Shareholders’ approval at the AGM. The Director’s fee will be reviewed by the Board from time to time based on the market rate. Save as above, there are no other matters that need to be brought to the attention of Shareholders.

2. **NG Ping Kin, Peter**, aged 75, has been an independent non-executive Director of the Company since 1993 and Vice Chairman of the Company since appointment to the Board in 1972. Mr. Ng is an architect & engineer by profession. He was an appointed member of the Urban Council for ten years and served as Chairman of the Food and Food Premises Select Committee. He was appointed as District Advisor to the Hong Kong Branch of Xinhua News Agency in 1994, and also elected to be a Member of the First Selection Committee of the Hong Kong Special Administrative Region in 1996. He does not have any relationship with any other Directors or senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Ng was interested in 100,000 Shares within the meaning of Part XV of SFO. There is no service contract between Mr. Ng and the Company. Mr. Ng is not appointed for a specific term but subject to retirement and re-election at the annual general meeting pursuant to the Company’s Articles of Association. For the Period, he is entitled to a Director’s fee of HK\$240,000 with reference to the market rate and subject to Shareholders’ approval at the AGM. The Director’s fee will be reviewed by the Board from time to time based on the market rate. Save as above, there are no other matters that need to be brought to the attention of Shareholders.

3. **LEUNG Wai Fung**, aged 49, has appointed as an executive Director of the Company with effect from 11 July 2005. Mr Leung holds a Bachelor Degree in Business Administration from Simon Fraser University and has over 20 years experience in the areas of business management, strategic planning and development as well as acquisitions and mergers. He joined the Company in 1997 and had assumed the positions of Group Chief Financial

Officer and Chief Operating Officer of Distribution Segment. He was appointed as executive director of the Company in June 2002. In March 2004, he resigned from the Company and assumed a senior management position with a Hong Leong Group company. Mr. Leung does not have any relationship with any director, senior management or substantial or controlling shareholder of the Company. Mr. Leung has entered into a service agreement with the Company under which he is entitled to an emolument of approximately HK\$2,482,000 per annum inclusive of basic salary, housing allowance and other allowances. He is also eligible to a performance related discretionary bonus. Such remuneration was determined based on his position in the Company and will be reviewed by the Board from time to time based on the market rate. The service agreement is not of a specific term but Mr. Leung is subject to retirement and re-election at the annual general meetings pursuant to the Company's Articles of Association.

As at the Latest Practicable Date, Mr. Leung does not have any interest in the securities of the Company within the meaning of Part XV of SFO. Save as above, there are no other matters that need to be brought to the attention of Shareholders.

4. **WHANG Sun Tze**, aged 61, has been a non-executive Director of the Company since appointment to the Board in 1984. Dr. Whang holds a Doctorate in Chemical Engineering. He is the son of Mr. Whang Tar Choung. Apart from the foregoing, he does not have any relationship with any other Directors or senior management or substantial or controlling shareholders of the Company. Dr. Whang has over 20 years experience in the food industry.

As at the Latest Practicable Date, Dr. Whang was interested in 177,933,104 Shares within the meaning of Part XV of the SFO. There is no service contract between Dr. Whang Sun Tze and the Company. Dr. Whang is not appointed for a specific term but subject to retirement and re-election at the annual general meetings pursuant to the Company's Articles of Association. For the Period, he is entitled to a Director's fee of HK\$150,000 with reference to the market rate and subject to Shareholders' approval at the AGM. The Director's fee will be reviewed by the Board from time to time based on the market rate. Save as above, there are no other matters that need to be brought to the attention of Shareholders.

5. **LO Kwong Chi, Clement**, aged 60, has been an independent non-executive Director of the Company since 1993 and non-executive Director of the Company since appointment to the Board in 1975. Mr. Lo is a solicitor by profession. He does not have any relationship with any other Directors or senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Lo was interested in 323,754 Shares within the meaning of Part XV of the SFO. There is no service contract between Mr. Lo and the Company. Mr. Lo is not appointed for a specific term but subject to retirement and re-election at the annual general meetings pursuant to the Company's Articles of Association. For the Period, he is entitled to a Director's fee of HK\$210,000 with

reference to the market rate and subject to Shareholders' approval at the AGM. The Director's fee will be reviewed by the Board from time to time based on the market rate. Save as above, there are no other matters that need to be brought to the attention of Shareholders.

6. **KWEK Leng Hai**, aged 52, has been an non-executive Director of the Company since appointment to the Board in 1997. Mr. Kwek is the president and CEO of Guoco Group Limited, a company listed in Hong Kong. He is a qualified chartered accountant of the Institute of Chartered Accountants in England and Wales. He is also a director of Hong Leong Company (Malaysia) Berhad, the ultimate holding company of the Company. He does not have any relationship with any other Directors or senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Kwek was interested in 2,300,000 Shares within the meaning of Part XV of the SFO. There is no service contract between Mr. Kwek and the Company. Mr. Kwek is not appointed for a specific term but subject to retirement and re-election at the annual general meetings pursuant to the Company's Articles of Association. For the Period, he is entitled to a Director's fee of HK\$150,000 with reference to the market rate and subject to Shareholders' approval at the AGM. The Director's fee will be reviewed by the Board from time to time based on the market rate. Save as above, there are no other matters that need to be brought to the attention of Shareholders.

7. **TAN Lim Heng**, aged 57, has been an non-executive Director of the Company since appointment to the Board in 1997. Mr. Tan is an executive director of Guoco Group Limited, a company listed in Hong Kong and is the Managing Director of Dao Heng Securities Limited and Dao Heng Commodities Limited both companies are private companies incorporated in Hong Kong. He also serves as a non-executive director of Shanghai Land Holdings Limited, a company listed in Hong Kong. Mr. Tan holds a Bachelor of Science first class honours degree in engineering from University of Surrey and a Master of Science degree in management from Massachusetts Institute of Technology. He had previously worked in Geneva in 1974 with the United Nations Conference on Trade and Development. He had also served in the Singapore Civil Service as a Colombo Plan Scholar 1975-1978 before coming to work in Hong Kong with a financial services company and a major U.S. bank. Mr. Tan has extensive experience in property investment, financial and investment management services. He does not have any relationship with any other Directors or senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Tan was interested in 274,000 Shares within the meaning of Part XV of the SFO. There is no service contract between Mr. Tan and the Company. Mr. Tan is not appointed for a specific term but subject to retirement and re-election at the annual general meetings pursuant to the Company's Articles of Association. For the Period, he is entitled to a Director's fee of HK\$150,000 with reference to the market rate and subject to Shareholders' approval at the AGM. The Director's fee will be reviewed by the Board from time to time based on the market rate. Save as above, there are no other matters that need to be brought to the attention of Shareholders.

8. **James ENG, Jr.**, aged 62, has been a non-executive Director of the Company since appointment to the Board in 2000. He is an Executive Director of Guoco Group Limited, a company listed in Hong Kong and Guoco Management Company Limited, a private company incorporated in Hong Kong. He is responsible for group staff support functions for Guoco Group Limited. Mr. Eng previously worked with Hiram Walker, a Division of Allied-Lyons. Postings included New York, Miami, London, Hong Kong and Windsor Canada. During his time with Brout, Issacs & Co., Certified Public Accountants in New York City, he was responsible for the Management Services Division and was a Management Consultant in New York for Computer Methods Corporation. He does not have any relationship with any other Directors or senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Eng was interested in 619,000 Shares within the meaning of Part XV of the SFO. There is no service contract between Mr. Eng and the Company. Mr. Eng is not appointed for a specific term but subject to retirement and re-election at the annual general meetings pursuant to the Company's Articles of Association. For the Period, he is entitled to a Director's fee of HK\$150,000 with reference to the market rate and subject to Shareholders' approval at the AGM. The Director's fee will be reviewed by the Board from time to time based on the market rate. Save as above, there are no other matters that need to be brought to the attention of Shareholders.

9. **TSANG Cho Tai**, aged 55, has been a non-executive Director of the Company since appointment to the Board in 1997. Mr. Tsang was appointed as independent non-executive Director of the Company in 1999 and re-designated as Non-Executive Director in 2004. He is the group financial controller of Guoco Group Limited since 1989 and prior to that he was an associate of an international firm of accountants. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and an Associate Member of the Institute of Chartered Accountants in England and Wales. He does not have any relationship with any other Directors or senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Tsang does not have any interest in the securities of the Company within the meaning of Part XV of SFO. There is no service contract between Mr. Tsang and the Company. Mr. Tsang is not appointed for a specific term but subject to retirement and re-election at the annual general meetings pursuant to the Company's Articles of Association. For the Period, he is entitled to a Director's fee of HK\$210,000 with reference to the market rate and subject to Shareholders' approval at the AGM. The Director's fee will be reviewed by the Board from time to time based on the market rate. Save as above, there are no other matters that need to be brought to the attention of Shareholders.

10. **HO King Cheung**, aged 66, has been a non-executive Director of the Company since April 2003. He was appointed by the Board as Executive Director in 1989. Mr. Ho has over 30 years experience in the food industry. He joined the Group in 1969. He does not have any relationship with any other Directors or senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Ho was interested in 30,690 Shares within the meaning of Part XV of the SFO. There is no service contract between Mr. Ho and the Company. Mr. Ho is not appointed for a specific term but subject to retirement and re-election at the annual general meetings pursuant to the Company's Articles of Association. For the Period, he is entitled to a Director's fee of HK\$150,000 with reference to the market rate and subject to Shareholders' approval at the AGM. The Director's fee will be reviewed by the Board from time to time based on the market rate. Save as above, there are no other matters that need to be brought to the attention of Shareholders.

11. **TAKAGI Shigeyoshi**, aged 54, has been an independent non-executive Director of the Company since appointment to the Board in 2002. He is the General Manager of Grain & Oil Division of Mitsui & Co., Ltd. Mr. Takagi holds a bachelor degree in economics, Hitotsubashi University. He does not have any relationship with any other Directors or senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Takagi does not have any interest in the securities of the Company within the meaning of Part XV of SFO. There is no service contract between Mr. Takagi and the Company. Mr. Takagi is not appointed for a specific term but subject to retirement and re-election at the annual general meetings pursuant to the Company's Articles of Association. For the Period, he is entitled to a Director's fee of HK\$150,000 with reference to the market rate and subject to Shareholders' approval at the AGM. The Director's fee will be reviewed by the Board from time to time based on the market rate. Save as above, there are no other matters that need to be brought to the attention of Shareholders.

12. **DING Wai Chuen**, aged 45, has been an independent non-executive Director of the Company since appointment to the Board in 2004. He is a Partner of Moores Rowland Mazars, *Chartered Accountants, Certified Public Accountants*, in charge of the firm's Assurance and Business Advisory Division and Technical and Training Division, specializing in listed company audits and investigations. Prior to joining Moores Rowland Mazars in August 2001, Mr. Ding had worked for an international firm of accountants in the United Kingdom for 5 years and another international accounting firm in Hong Kong for 6 years, and had been the head of the Professional Compliance Division of the Hong Kong Institute of Certified Public Accountants for over 7 years. He was responsible for monitoring and enforcing compliance with the Institute's professional standards. Since 2002, Mr. Ding has been appointed by the PRC Ministry of Finance as a member of the Advisory Group of Foreign Experts for drafting PRC's Independent Auditing Standards. Mr. Ding has been committee members of numerous Committees of the Hong Kong Institute of Certified Public Accountants, responsible for enacting and enforcing of the accounting standards and practices of the Institute. He does not have any relationship with any other Directors or senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Ding does not have any interest in the securities of the Company within the meaning of Part XV of SFO. There is no service contract between Mr. Ding and the Company. Mr. Ding is not appointed for a specific term but subject to retirement and re-election at the annual general meetings pursuant to the Company's Articles of Association. For the Period, he is entitled to a Director's fee of HK\$106,722 with reference to the market rate and subject to Shareholders' approval at the AGM. The Director's fee will be reviewed by the Board from time to time based on the market rate. Save as above, there are no other matters that need to be brought to the attention of Shareholders.

#### **TERMINATION NOTICE OF DIRECTORS' OFFICE**

The length of notice required for termination of Directors' office for all the Directors as stipulated in the Articles of Association is one month's notice in writing by the director to the Company if he resigns his office as a Director, except that the notice of termination required by Mr. Leung Wai Fung is 3 months according to the terms in his service agreement with the Company.

Pursuant to the Memorandum and Articles of Association, at any general meeting of the Company, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (on or before the declaration of the result of the show of hands) demanded:

- (i) by the Chairman of the meeting; or
- (ii) by at least three members entitled to vote; or
- (iii) by one member or two members so entitled, if that member or those two members together hold not less than fifteen per cent. of the paid up share capital of the Company.



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## NOTICE OF ANNUAL GENERAL MEETING

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### LAM SOON (HONG KONG) LIMITED

*(Incorporated in Hong Kong with limited liability)*

**NOTICE IS HEREBY GIVEN THAT** the Annual General Meeting of Lam Soon (Hong Kong) Limited (the “Company”) will be held at 3rd Floor, Lam Soon Building, 21 Dai Fu Street, Tai Po Industrial Estate, Tai Po, New Territories, Hong Kong on Wednesday, 14 September 2005 at 11:30 a.m. for the following purposes:

As ordinary business, to consider and, if thought fit, pass with or without amendments, the following ordinary resolutions:

1. To receive and consider the audited Statements of Accounts together with the Reports of the Directors and Auditors thereon for the 18 months ended 30 June 2005.
2. To declare a final dividend.
3. To fix the fees of the Directors for the 18 months ended 30 June 2005 and re-elect retiring Directors;
4. To re-appoint Auditors and to authorise the Board of Directors to fix their remuneration.

As special business, to consider and, if thought fit, pass the following resolutions as special resolutions:

5. Special Resolution

**“THAT** the existing Articles of Association of the Company be and are hereby amended as follows:

- (a) by adding the following new definitions in the existing Article 1:

“associate(s)”	in relation to any Director, shall have the meaning ascribed to it in the Listing Rules as may be amended from time to time
“recognized clearing house”	shall mean a recognized clearing house within the meaning of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and any amendments thereto or re-enactments thereof for the time being in force;

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## NOTICE OF ANNUAL GENERAL MEETING

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“Listing Rules” shall mean the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time;

- (b) by deleting the following definitions in the existing Article 1 and substituting therefor the new definitions:

“Dividend” shall include scrip dividends, distribution in specie or in kind, capital distributions and capitalisation issues, if not inconsistent with the subject or context;

- (c) by adding the following paragraph immediately after the existing last paragraph of Article 1:

“References to a document being executed include references to it being executed under hand or under seal or by electronic signature or by any other method and references to a notice or document include a notice or document recorded or stored in any digital, electronic, electrical, magnetic or other retrievable form or medium and information in visible form whether having physical substance or not.”

- (d) by deleting the existing Article 57 and substituting therefor the new Article 57:

“57. Save that a poll is required by the Listing Rules or any other applicable 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
- (ii) by at least five members present in person or by a duly authorised corporate 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 by a duly authorized corporate representative or by proxy and representing not less than one-tenth of 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 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 the shares conferring that right.

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## NOTICE OF ANNUAL GENERAL MEETING

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Unless a poll be so demanded and the demand is not withdrawn, a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour or against such resolution.”

- (e) by deleting the existing Article 58 and substituting therefor the new Article 58:

“58. If a poll is demanded as aforesaid, it shall (subject as provided in Article 60) be taken in such manner (including the use of ballot or voting papers or tickets) and at such time and place, not being more than thirty days from the date of the meeting or adjourned meeting at which the poll was demanded, as the Chairman directs. No notice need be given of a poll not taken immediately. The result of the poll so demanded pursuant to these Articles or required by the Listing Rules or any other applicable laws shall be deemed to be the resolution of the meeting at which the poll was demanded or required. The demand for a poll may be withdrawn, with the consent of the Chairman, at any time before the close of the meeting at which the poll was demanded or the taking of the poll, whichever is the earlier.”

- (f) by deleting the existing Article 60 and substituting therefor the new Article 60:

“60. Any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment shall be taken at the meeting and without adjournment. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.”

- (g) by deleting the words in line 6 of the existing Article 61 “recognized clearing house within the meaning of the Securities and Futures (Clearing House) Ordinance (Chapter 420 of the Laws of Hong Kong)” and substituting therefor the words “recognized clearing house.”

- (h) by adding the following Article as Article 61A:

“61.A Where any shareholder 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 vote cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.”

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## NOTICE OF ANNUAL GENERAL MEETING

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- (i) by deleting the existing Article 67 and substituting therefor the new Article 67:

“67. Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share stands shall for the purposes of this Article be deemed joint holders thereof.”

- (j) by deleting the existing Article 74 and substituting therefor the new Article 74:

“74. (A) Subject to the Ordinance, a Director may hold any other office or place of profit with the Company (except that of Auditor) in conjunction with his office of Director for such period and upon such terms as the Board may determine, and may be paid such extra remuneration therefor (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine, and such extra remuneration shall be in addition to any remuneration provided for, by or pursuant to any other Article.

(B) A Director may act by himself or his firm in a professional capacity for the Company (otherwise than as Auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.

(C) A Director of the Company may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or any other Company in which the Company may be interested, and shall not be liable to account to the Company or the members for any remuneration, profit or other benefit received by him as a director or officer of or from his interest in such other company. The Board may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers or such other company.

(D) A Director shall not vote or be counted in the quorum on any resolution of the Board concerning his own appointment as the holder of any office or place of profit with the Company or any other company in which the Company is interested (including the arrangement or variation of the terms thereof, or the termination thereof).

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## NOTICE OF ANNUAL GENERAL MEETING

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- (E) Where arrangements are under consideration concerning the appointment (including the arrangement or variation of the terms thereof, or the termination thereof) of two or more Directors to offices or places of profit with the Company or any other company in which the Company is interested, a separate resolution may be put in relation to each director and in such case each of the Directors concerned shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment (or the arrangement or variation of the terms thereof, or the termination thereof) and except (in the case of an office or place of profit with any such other company as aforesaid) where the other company is a company in which the Director together with any of his associates own 5 per cent. or more (as defined in paragraph (I) of this Article).
- (F) Subject to the Ordinance and to the next paragraph of this Article, no Director or proposed or intending Director 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 is in any way interested be liable to be avoided, nor shall any director 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 of the fiduciary relationship thereby established.
- (G) A Director who to his knowledge is interested or has an associate who is interested in any way, whether directly or indirectly, in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest or the interest of his associate(s) 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 the interest of his associate(s) then exists, or in any other case at the first meeting of the Board after he knows that he is or his associate(s) has become so interested. For this purpose, a general notice to the Board by a Director to the effect that:—
- (i) he or any of his associates is a member of a specified company or firm and is 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

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## NOTICE OF ANNUAL GENERAL MEETING

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- (ii) he or any of his associates is 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,

shall be deemed to be a sufficient declaration of interest in relation under this Article 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) A Director shall not vote (nor shall he be counted in the quorum) on any resolution of the Board in respect of any contract or arrangement or proposal in which he or his associate(s) is/are to his/their knowledge materially interested, and if he shall do so his vote shall not be counted (nor shall he be counted in the quorum for that resolution), but this prohibition shall not apply to any of the following matters, namely:

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

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## NOTICE OF ANNUAL GENERAL MEETING

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- (iv) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:
    - (a) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme involving the issue or grant of options over shares or other securities by the Company under which the Director or his associate(s) may benefit; or
    - (b) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to Directors, his associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or his associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and
  - (v) any contract or arrangement in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.
- (I) A company shall be deemed to be a company in which a Director together with any of his associates owns 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 if and so long as (but only if and so long as) he together with his associates are (either directly or indirectly) the holders of or beneficially interested in five (5) per cent. or more of any class of the equity share capital of such company (or of any third company through which his interest is derived) or of the voting rights of any class of shares available to members of the company. For the purpose of this paragraph there shall be disregarded any shares held by a Director or his associate(s) as bare or custodian trustee and in which no beneficial interest is held, any shares comprised in a trust in which the Director's or his associate(s)'s interest is in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust scheme in which the Director or his associate(s) is/are interested only as a unit holder.
- (J) Where a company in which a Director together with any of his associates holds five (5) per cent. or more of any class of the equity share capital of such company or of the voting rights of any class of shares available to shareholders of the company is materially interested in a transaction, then that Director shall also be deemed materially interested in such transaction.

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## NOTICE OF ANNUAL GENERAL MEETING

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(K) If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director or his associate(s) (other than the Chairman or his associate(s)) 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 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 or his associate(s) 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 his associate(s) as known to him has not been fairly disclosed to the Board.”

(k) by deleting the existing Article 78 and substituting therefor the new Article 78:

“78. At each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to one-third, shall retire from office by rotation. A Director retiring at a meeting shall retain office until the close of the meeting so that each Director shall retire at least once every three years. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day shall (unless they otherwise agree between themselves) be determined by lot. The retiring Directors shall be eligible for re-election. The Company at any general meeting at which any Directors retire may fill the vacated offices.”

(l) by deleting the existing Article 79.

(m) by deleting the existing Article 80 and substituting therefor the new Article 79:

“79. The Company may from time to time in general meeting by Ordinary Resolution elect any person to be a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at the meeting but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at such meeting.”



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## NOTICE OF ANNUAL GENERAL MEETING

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- (n) by deleting the existing Article 80A and substituting therefor the new Article 80:

“80. 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 delivered to the Company at its registered office provided that the minimum length of the period during which such notices are given, shall be at least seven (7) days and that the period for lodgment of the notices shall 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 (7) days prior to the date of such meeting.”

- (o) by deleting the existing Article 82 and substituting therefor the new Article 82:

“82. The Company in general meeting shall from time to time fix and may from time to time by Ordinary Resolution increase or reduce the maximum and minimum number of Directors but so that the number of Directors shall never be less than two.”

- (p) by adding the following paragraph immediately after the last sentence of Article 83:

“83. Any Director so appointed shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at the meeting but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at such meeting.”

- (q) by deleting the existing Article 85 and substituting therefor the new Article 85:

“85. The Company may by special resolution remove any Director (including a Managing Director or other Executive Director) before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company) and may elect another person in his stead. Any person so elected shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at such meeting, but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting.”

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## NOTICE OF ANNUAL GENERAL MEETING

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- (r) by deleting the existing Articles 114 and 115 and substituting therefor the new Articles 114 and 115:

“114.(A)(i) 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 Ordinance and the Listing Rules from time to time and subject to this Article, contained in an electronic communication. A notice calling a meeting of the Directors need not be in writing.

(ii) Any notice or document (including a share certificate and any “corporate communication” within the meaning ascribed thereto under the Listing Rules), to be given or issued under these Articles, may be served on or delivered to any member of the Company either personally or by sending it through the post in a prepaid envelope or wrapper addressed to such member at his registered address as appearing in the register or by leaving it at that address addressed to the member or by any other means authorised in writing by the member concerned or by publishing it by way of advertisement in English in at least one English language newspaper and in Chinese in at least one Chinese language newspaper, being in each case a newspaper published daily and circulation generally in Hong Kong and specified in the list of newspapers issued and published in the Gazette for the purposes of Section 71A of the Ordinance by the Chief Secretary for Administration. In the case of joint holders of a share, all notices shall be given to that one of the joint holders whose name stands first in the register and notice so given shall be sufficient notice to all the joint holders. Without limiting the generality of the foregoing but subject to the Ordinance and the Listing Rules, a notice or document may be served or delivered by the Company to any member by electronic means to such address as may from time to time be authorised by the member concerned or by publishing it on a computer network and notifying the member concerned, in such manner as he may from time to time authorise, that it has been so published.

(iii) 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.

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## NOTICE OF ANNUAL GENERAL MEETING

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- (iv) The signature to any notice or documents to be given by the Company may be written or printed or in the form of electronic signature or in any other form.
- 114.(B)(i) 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 envelope or wrapper addressed to the Company or to such officer at the Company's head office or Registered Office.
- (ii) 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.
115. 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 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."

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## NOTICE OF ANNUAL GENERAL MEETING

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- (s) by adding the following Article as Article 122:

**“Untraceable Members**

122. Without prejudice to the rights of the Company under Article 106 and the provisions of Article 123, the Company may cease sending cheques for dividend entitlements or dividend warrants by post if such cheques or warrants have been left uncashed on two consecutive occasions. However, the Company may exercise the power to cease sending cheques for dividend entitlements or dividend warrants after the first occasion on which such a cheque or warrant is returned undelivered.”

- (t) by adding the following Article as Article 123:

“123.(A) The Company shall have the power to sell, in such manner as the Board thinks fit, any shares of a member who is untraceable, but no such sale shall be made unless:—

- (i) all cheques or warrants, being not less than three in total number, for any sum payable in cash to the holder of such shares in respect of them sent during the relevant period in the manner authorised by the Articles of the Company have remained uncashed;
- (ii) so far as it is aware at the end of the relevant period, the Company has not at any time during the relevant period received any indication of the existence of the member who is the holder of such shares or of a person entitled to such shares by death, bankruptcy or operation of law; and
- (iii) the Company has caused an advertisement to be inserted in an English language newspaper and a Chinese language newspaper giving notice of its intention to sell such shares and has notified The Stock Exchange of Hong Kong Limited of such intention and a period of three months has elapsed since the date of such advertisement.

For the purpose of the foregoing, “relevant period” means the period commencing twelve years before the date of publication of the advertisement referred to in paragraph (iii) of this Article and ending at the expiry of the period referred to in that paragraph.

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## NOTICE OF ANNUAL GENERAL MEETING

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- (B) To give effect to any such sale the Board may authorise any person to transfer the said shares and instrument of transfer signed or otherwise executed by or on behalf of such person shall be as effective as if it had been executed by the registered holder or the person entitled by transmission to such shares, and the purchaser shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale. The net proceeds of the sale will belong to the Company and upon receipt by the Company of such net proceeds it shall become indebted to the former member for an amount equal to such net proceeds. No trust shall be created in respect of such debt and no interest shall be payable in respect of it and the Company shall not be required to account for any money earned from the net proceeds which may be employed in the business of the Company or as it thinks fit. Any sale under this Article shall be valid and effective notwithstanding that the member holding the shares sold is dead, bankrupt or otherwise under any legal disability or incapacity.”

- (u) by adding the following Article as Article 124:

### **“Indemnity**

- 124.(A) Every Director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, except such (if any) as they shall incur or sustain through their own wilful neglect or default, fraud and dishonesty respectively and no Director or other officer shall be liable for any loss, damages or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office all in relation thereto, except as the same shall happen by or through their own wilful neglect or default, fraud and dishonesty respectively, provided that this Article shall only have effect in so far as its provisions are not avoided by the Companies Ordinance.
- (B) To the extent permitted by the provisions of the Companies Ordinance, the Company may purchase insurance for any Director or other officer of the Company against liabilities incurred by him.”

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## NOTICE OF ANNUAL GENERAL MEETING

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(v) by adding the following Article as Article 125:

### **“Destruction of Documents**

125. Subject to the Ordinance, the Company may destroy:

- (i) any share certificate which has been cancelled at any time after the expiry of one year from the date of such cancellation;
- (ii) any dividend mandate or any variation or cancellation thereof or any notification of change of name or address at any time after the expiry of two years from the date on which such mandate, variation, cancellation or notification was recorded by the Company;
- (iii) any instrument of transfer of shares which has been registered at any time after the expiry of six years from the date of registration; and
- (iv) any other document, on the basis of which any entry in the register is made, at any time after the expiry of six years from the date on which an entry in the register was first made in respect of it;

and it shall conclusively be presumed in favour of the Company that every share certificate so destroyed was a valid certificate duly and properly cancelled and that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and that every other document destroyed hereunder was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company. Provided always that:—

- (a) the foregoing provisions of this Article shall apply only to the destruction of a document in good faith and without express notice to the Company that the preservation of such document was relevant to a claim;
- (b) nothing contained in this Article shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any case where the conditions of proviso (a) above are not fulfilled; and
- (c) references in this Article to the destruction of any document include reference to its disposal in any manner.

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## NOTICE OF ANNUAL GENERAL MEETING

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Notwithstanding any provisions contained in these Articles, the Directors may, if permitted by applicable law, authorise the destruction of documents set out in sub-paragraphs (i) to (iv) of this Article and any other documents in relation to share registration which have been microfilmed or electronically stored by the Company provided always that this Article shall apply only to the destruction of a document in good faith and without express notice to the Company that the preservation of such document was relevant to a claim.”

As special business, to consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

### 6. Ordinary Resolutions

#### A. “**THAT**

- (a) subject to paragraph (b), the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to repurchase shares in the capital of the Company on The Stock Exchange of Hong Kong Limited, subject to and in accordance with all applicable laws of the Hong Kong Special Administrative Region and the Memorandum and Articles of Association of the Company, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company to be purchased by the Director of the Company pursuant to the approval in paragraph (a) shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution and the said approval shall be limited accordingly; and
- (c) for the purposes 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;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Memorandum and Articles of Association of the Company or any applicable law to be held;
- (iii) the date upon which the authority set out in this resolution is revoked or varied by way of ordinary resolution in general meeting.”

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## NOTICE OF ANNUAL GENERAL MEETING

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**B. “THAT:**

- (a) subject to paragraph (b), the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to allot and issue additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers either during or after the Relevant Period be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the shares 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), otherwise than pursuant to:
  - (i) a Rights Issue;
  - (ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or securities which are convertible into shares of the Company;
  - (iii) the exercise of any option under the Company’s share option schemes; or
  - (iv) any scrip dividend or similar arrangements 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 Memorandum and Articles of Association of the Company,

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

- (c) For the purposes 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;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Memorandum and Articles of Association of the Company or any applicable laws to be held; and
- (iii) the date upon which the authority set out in this resolution is revoked or varied by way of ordinary resolution in general meeting.



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## NOTICE OF ANNUAL GENERAL MEETING

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“Rights Issue” means an offer of Shares open for a period fixed by the Directors to the 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 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).”

C. “**THAT:**

conditional upon the passing of the resolutions nos. 6A and 6B of the notice convening this meeting, the general mandate granted to the Directors of the Company to exercise the powers of the Company to allot shares pursuant to resolution no. 6B 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 resolution no. 6A, provided that such amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this Resolution.”

By Order of the Board  
**Cheng Man Ying**  
*Company Secretary*

Hong Kong, 19 August 2005

*Notes:*

- (1) A shareholder entitled to attend and vote at the meeting convened by this notice is entitled to appoint one or more proxies to attend and vote on his behalf. A proxy does not need to be a shareholder of the Company.
- (2) In order to be valid, the instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a copy of such authority notarially certified, must be deposited at the registered office of the Company at 3rd Floor, Lam Soon Building, 21 Dai Fu Street, Tai Po Industrial Estate, Tai Po, New Territories, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or adjourned meeting, as the case may be. Completed and return the form of proxy will not preclude a shareholder from attending and voting at the meeting if the shareholder so desires.
- (3) With respect to resolution no. 5 approval is being sought from shareholders for amendments to the existing Articles of Association of the Company.
- (4) With respect to resolution no. 6A, approval is being sought from shareholders for a general mandate to repurchase shares to be given to the Directors.
- (5) With respect to resolution no. 6B, approval is being sought from shareholders for a general mandate to issue shares to be given to the Directors.
- (6) With respect to resolution no. 6C, approval is being sought from shareholders 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 no. 6A.
- (7) In accordance with 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 no. 6A is set out in Appendix I to the circular to shareholders of the Company dated 19 August 2005.
- (8) The register of members of the Company will be closed from 8 September 2005 to 14 September 2005, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the final dividend, all share transfers accompanied by the requisite share certificates must be lodged with the Company's Registrar, Hongkong Managers and Secretaries Limited, 26th Floor, Citicorp Centre, 18 Whitfield Road, Causeway Bay, Hong Kong, for registration not later than 4:00 p.m. on 7 September 2005.