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

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**LINMARK**  
**LINMARK GROUP LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 915)**

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,  
AMENDMENTS TO THE SHARE OPTION SCHEME AND  
THE BYE-LAWS,  
RE-ELECTION OF DIRECTORS AND  
CHANGE OF AUDITORS**

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A notice convening the 2004 annual general meeting of Linmark Group Limited to be held on Monday, 16 August 2004 at 3:00 p.m. at Chater Room II & III, Function Room Level, B1, The Ritz-Carlton, 3 Connaught Road Central, Hong Kong, is set out on pages 21 to 25 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 the same to the Company's branch share registrars in Hong Kong, Standard Registrars Limited of Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, 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 adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof if you so wish.

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## RESPONSIBILITY STATEMENT

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

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## DEFINITIONS

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

“Annual General Meeting”	the forthcoming annual general meeting of the Company to be held on Monday, 16 August 2004, notice of which is set out on pages 21 to 25 of this circular
“associate(s)”	has the same meaning as defined in the Listing Rules
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company adopted pursuant to written resolution of the sole Shareholder passed on 22 April 2002
“Companies Act”	the Companies Act 1981 of Bermuda
“Company”	Linmark Group Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange
“Directors”	directors of the Company
“Extension Mandate”	an authorisation to extend the Share Issue Mandate by an amount representing the aggregate nominal amount of the Shares repurchased under the Repurchase Mandate
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	16 July 2004, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Wang”	Mr. WANG Lu Yen, an executive Director and the Chairman of the Company
“Repurchase Mandate”	a general and unconditional mandate to the Directors to enable them to purchase shares of an aggregate nominal amount of up to 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing the relevant resolution
“Roly International”	Roly International Holdings Ltd., a company listed on the SGX-ST and the ultimate holding company of the Company
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Share(s)”	share(s) of US\$0.02 each in the share capital of the Company
“Shareholder(s)”	holder(s) for the time being of the Share(s)

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## DEFINITIONS

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“Share Issue Mandate”	a general and unconditional mandate to the Directors to exercise the power of the Company to allot, issue or otherwise deal with new Shares of an aggregate nominal amount of up to 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing the relevant resolution
“Share Option Scheme”	the share option scheme of the Company adopted pursuant to a resolution in writing of the sole Shareholder passed on 22 April 2002 and amended on 6 November 2002
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$” and “cents”	Hong Kong dollars and cents respectively
“US\$”	United States dollars
“%”	per cent.

# LINMARK

## LINMARK GROUP LIMITED

*(Incorporated in Bermuda with limited liability)*

**Executive Directors:**

Mr. WANG Lu Yen (*Chairman*)  
Mr. Steven Julien FENIGER (*Chief Executive Officer*)  
Mr. FU Jin Ming, Patrick  
Mr. KHOO Kim Cheng  
Mr. KWOK Chi Kueng

**Registered office:**

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

**Independent non-executive Directors:**

Mr. WANG Arthur Minshiang  
Mr. WONG Wai Ming  
Dr. WOON Yi Teng, Eden

**Head office and principal place  
of business in Hong Kong:**

20th Floor, Office Tower One  
The Harbourfront  
18 Tak Fung Street  
Hunghom, Kowloon  
Hong Kong

21 July 2004

*To the Shareholders*

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,  
AMENDMENTS TO THE SHARE OPTION SCHEME AND  
THE BYE-LAWS,  
RE-ELECTION OF DIRECTORS AND  
CHANGE OF AUDITORS**

**INTRODUCTION**

The primary purposes of this circular are to provide you information regarding the resolutions to be proposed at the Annual General Meeting and to give you notice of the Annual General Meeting. Resolutions to be proposed at the Annual General Meeting include, among other businesses, a special resolution relating to the proposed amendments to the Bye-laws, an ordinary resolution relating to the proposed amendments to the Share Option Scheme, ordinary resolutions for the approval of the grant of the Share Issue Mandate, the Repurchase Mandate and the Extension Mandate to the Directors and the change of auditors.

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES**

At the annual general meeting of the Company held on 8 September 2003, the Directors were granted a general mandate to allot, issue and deal with Shares and a general mandate to purchase Shares on the Stock Exchange. These mandates will expire at the conclusion of the Annual General Meeting. At the Annual General Meeting, among other businesses, resolutions will be proposed to grant the Share Issue Mandate, the Repurchase Mandate and the Extension Mandate to the Directors.

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## LETTER FROM THE BOARD

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Each of the Share Issue Mandate, the Repurchase Mandate and the Extension Mandate will continue in force until the conclusion of the annual general meeting of the Company next following the Annual General Meeting or any earlier date as referred to in Resolutions Nos. 5 and 6 set out in the notice of the Annual General Meeting.

Under the Listing Rules, the Company is required to give to its shareholders an explanatory statement containing all information reasonably necessary to enable them to make an informed decision on whether to vote for or against the resolution to grant to the Directors the Repurchase Mandate. The explanatory statement required by the Listing Rules is set out in Appendix I to this circular.

### AMENDMENTS TO THE SHARE OPTION SCHEME

The Company adopted the Share Option Scheme pursuant to a resolution in writing of the sole Shareholder passed on 22 April 2002. The purpose of the Share Option Scheme is to provide incentives or rewards to employees, customers, suppliers and advisers of the Group and other eligible participants of the Share Option Scheme for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group.

Under the rules of the Share Option Scheme, eligible participants of the Share Option Scheme include:

- (a) any director or proposed director (whether executive or non-executive, including any independent non-executive director), employee or proposed employee (whether full time or part time) of any member of the Group or any controlling shareholder of the Company or any company controlled by a controlling shareholder of the Company; or
- (b) any holder of any securities issued by any member of the Group or any controlling shareholder of the Company or any company controlled by a controlling shareholder of the Company; or
- (c) any business partner, agent, consultant, representative, supplier of goods or services or customer of any member of the Group or any controlling shareholder of the Company or any company controlled by a controlling shareholder of the Company,

but exclude Mr. Wang and any of his associates so long as Mr. Wang remains as a substantial shareholder of the Company (as substantial shareholder is construed in accordance with the Listing Rules from time to time).

The exclusion of Mr. Wang and his associates from participating in the Share Option Scheme (“**Exclusion**”) was a decision made by Mr. Wang himself so that Mr. Wang and his associates (as such term is defined in the Listing Manual of the SGX-ST) would not be required to abstain from voting in respect of the resolution of shareholders of Roly International, approving the material dilution of Roly International’s interest in the Company due to, among other things, the future issue of new shares of the Company pursuant to the Share Option Scheme. Such approval of shareholders of Roly International was obtained prior to the listing of the Company on the Main Board of the Stock Exchange in May 2002. The Share Option Scheme was amended on 6 November 2002.

For the Shareholders’ information, the Listing Manual of the SGX-ST prohibits a shareholder of a company listed on the SGX-ST from voting in respect of, among other matters, any arrangement in which such shareholder is interested.

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## LETTER FROM THE BOARD

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It is proposed that the rules of the Share Option Scheme be amended to remove the Exclusion. In addition, the Directors also propose to amend the rules of the Share Option Scheme at the Annual General Meeting such that the amended Share Option Scheme will be in compliance with the amendments to Chapter 17 of the Listing Rules which became effective on 31 March 2004. A full text of the proposed amendments to the Share Option Scheme is set out in Resolution No. 8 in the notice of the Annual General Meeting set out on pages 23 and 24 of this circular.

The Directors consider that it will be for the benefit of the Company and its Shareholders as a whole that Mr. Wang and his associates are eligible for the grant of options under the Share Option Scheme. This will allow the Company to have a fair and equitable system to reward those who have made and continue to make important contributions to the long-term growth of the Group notwithstanding that they are substantial Shareholders or their associates. It will also motivate Mr. Wang and his associates to contribute further to the success of the Group and the Share Option Scheme can better serve its intended purpose. For these reasons, the Directors will propose the passing of an ordinary resolution at the Annual General Meeting to amend the rules of the Share Option Scheme.

### AMENDMENTS TO THE BYE-LAWS

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

To ensure compliance with the revised Appendix 3 to the Listing Rules, the Company proposes to amend the Bye-laws at the Annual General Meeting. In general, the proposed amendments to the Bye-laws are to be made to conform to the following in relation to corporate governance:

- (a) the minimum seven-day period for lodgment by the Shareholders of notice to nominate a Director shall commence no earlier than the date 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;
- (b) a Director shall abstain from voting at the meeting of the Board on any matter in which he or any of his associates has a material interest and he shall not be counted towards the quorum of the relevant meeting of the Board; and
- (c) where any Shareholder is, under the revised Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or against any particular resolution, any vote cast by or on behalf of such Shareholder in contravention of such requirement or restriction shall not be counted.

A full text of the proposed amendments to the Bye-laws is set out in Appendix II to this circular.

### RE-ELECTION OF DIRECTORS

In accordance with Bye-law 87(1) of the Bye-laws, Mr. FU Jin Ming, Patrick and Mr. WANG Arthur Minshiang will retire at the Annual General Meeting and being eligible, offer themselves for re-election. Details of such Directors required to be disclosed under the Listing Rules are set out in Appendix III to this circular.



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## LETTER FROM THE BOARD

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### CHANGE OF AUDITORS

Messrs. Deloitte Touche Tohmatsu will retire as auditors of the Company at the Annual General Meeting. A resolution will be proposed at the Annual General Meeting to appoint Messrs. PricewaterhouseCoopers as auditors of the Company following the retirement of Messrs. Deloitte Touche Tohmatsu and to hold office until the conclusion of the annual general meeting of the Company next following the Annual General Meeting. Messrs. Deloitte Touche Tohmatsu have confirmed that there were no circumstances connected with their retirement which they considered ought to be brought to the attention of the Shareholders or creditors.

The proposed change of auditors is made to facilitate and ensure timely disclosure of financial statements of Roly International and its subsidiaries (including the Group) pursuant to the new requirement under the Listing Manual of the SGX-ST. Pursuant to Rule 705 of the Listing Manual of the SGX-ST, for financial year commencing on or after 1 January 2004, any company listed on the SGX-ST whose market capitalisation exceeds Singapore dollars 75,000,000 as at 31 March 2003 is required to announce its financial statements for each of the first three quarters and the full financial year no later than 45 days after the relevant financial period. Given that Roly International is required to comply with such requirements and that Roly International has adopted a policy, in addition to the annual audit, that its interim results should be reviewed by its auditors, it is proposed that Roly International and the Company should appoint the same auditors. Messrs. PricewaterhouseCoopers are the current auditors of Roly International.

The Company has received from RGS Holdings Limited, being the single largest Shareholder, a notice in writing of its intention to appoint Messrs. PricewaterhouseCoopers as the auditors of the Company at the Annual General Meeting, and the Company has sent a copy of such notice to Messrs. Deloitte Touche Tohmatsu, in accordance with Bye-law 156(2) of the Bye-laws and section 89(3) of the Companies Act.

### ANNUAL GENERAL MEETING

Set out on pages 21 to 25 of this circular is a notice convening the Annual General Meeting at which, among other businesses, special/ordinary resolutions will be proposed to approve the amendments to the Bye-laws and the Share Option Scheme, to grant the Share Issue Mandate, the Repurchase Mandate and the Extension Mandate to the Directors and the change of auditors. A form of proxy for use at the Annual General Meeting is enclosed with this circular.

### ACTION TO BE TAKEN

Whether or not you intend to attend the Annual General Meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's branch share registrars in Hong Kong, Standard Registrars Limited of Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, as soon as possible and in any event not later than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof if you so wish.

### RECOMMENDATION

The Directors consider that the amendments to the Bye-laws and the Share Option Scheme, the grant of the Share Issue Mandate, the Repurchase Mandate and the Extension Mandate to the Directors and the change of auditors are in the best interests of the Company and its Shareholders and recommend Shareholders to vote in favour of the resolutions set out in the notice of the Annual General Meeting.

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## LETTER FROM THE BOARD

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### PROCEDURE TO DEMAND FOR A POLL AT THE ANNUAL GENERAL MEETING

Pursuant to Bye-law 66, a resolution put to the vote of any general meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (a) by the chairman of the meeting; or
- (b) by at least three Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (c) by a Shareholder or Shareholders present in person (or in the case of a Shareholder 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 Shareholders having the right to vote at the meeting; or
- (d) by a Shareholder or Shareholders present in person (or in the case of a Shareholder 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 that right.

Please note that as Mr. Wang has a material interest in the proposed amendments to the Share Option Scheme and is required to abstain from voting in respect of such resolution, pursuant to Rule 13.39(4)(d) of the Listing Rules, the ordinary resolution to approve the amendments to the Share Option Scheme will be taken on a poll.

### DOCUMENTS AVAILABLE FOR INSPECTION

A copy of each of the Bye-laws and the rules of the Share Option Scheme is available for inspection at the branch office of the Company in Hong Kong at Units 1704–5, Nine Queen's Road Central, Hong Kong during normal business hours until 16 August 2004 and at the Annual General Meeting.

### ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this circular and the notice of the Annual General Meeting.

Yours faithfully  
For and on behalf of the Board  
**WANG Lu Yen**  
*Chairman*

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to you to make an informed decision whether to vote for or against the resolution to approve the grant of the Repurchase Mandate to the Directors at the Annual General Meeting.

## **1. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company was US\$13,078,780 comprising 653,939,000 Shares.

Subject to the passing of the proposed resolution for the grant of the Repurchase Mandate and on the basis that no Shares are issued or repurchased by the Company during the period between the Latest Practicable Date and the date of the Annual General Meeting, the Company will be allowed under the Repurchase Mandate to repurchase up to a maximum of 65,393,900 Shares, being 10% of the issued share capital of the Company as at the Latest Practicable Date.

## **2. REASONS FOR THE REPURCHASE**

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

## **3. FUNDING OF REPURCHASES**

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Bye-laws, the Listing Rules and the applicable laws of Bermuda.

Taking into account the current working capital position of the Company, the Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of the Company as compared with the position as at 30 April 2004, being the date of its latest audited consolidated financial statements. However, the Directors do not intend to make any repurchases to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing position of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

#### 4. SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the previous twelve months before the printing of this circular were as follows:

	Trading price per Share	
	Highest HK\$	Lowest HK\$
July 2003	2.900	2.275
August 2003	2.900	2.525
September 2003	2.925	2.550
October 2003	3.450	2.600
November 2003	3.700	3.100
December 2003	3.650	3.150
January 2004	3.550	3.175
February 2004	3.525	3.000
March 2004	3.125	2.800
April 2004	3.150	2.650
May 2004	3.050	2.400
June 2004	2.875	2.500
July 2004 (up to the Latest Practicable Date)	3.200	2.900

#### 5. TAKEOVERS CODE

If a shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase securities pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of the Code on Takeovers and Mergers ("**Takeovers Code**"). As a result, a shareholder or group of shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, according to the register kept by the Company pursuant to section 336 of the Securities and Futures Ordinance and so far as is known to, or can be ascertained after reasonable enquiry by the Directors, each of RGS Holdings Limited, Roly International and Mr. Wang, was interested in 437,340,000 Shares, 437,340,000 Shares and 437,960,000 Shares respectively, representing about 66.88%, 66.88% and 66.97% of the entire issued capital of the Company respectively. As at the Latest Practicable Date, RGS Holdings Limited was a wholly owned subsidiary of Roly International and Mr. Wang, together with his associates, controlled about 34.89% of the issued share capital of Roly International.

Assuming that RGS Holdings Limited (being the controlling Shareholder of the Company as at the Latest Practicable Date) does not dispose of its Shares nor acquire any additional Shares, if the Repurchase Mandate were exercised in full by the Company, the percentage shareholding of RGS Holdings Limited before and after the full exercise of the Repurchase Mandate would be approximately 66.88% and 74.31% respectively. In such circumstances, RGS Holdings Limited will not be obligated to make a mandatory offer under Rule 26 of the Takeovers Code if the Repurchase Mandate is exercised in full.

**6. SHARE REPURCHASE MADE BY THE COMPANY**

The Company has purchased a total of 1,034,000 Shares on the Stock Exchange during the six months immediately preceding the Latest Practicable Date (i.e. from 17 January 2004 to 16 July 2004) and details of which are as follows:

Date of repurchases	Number of Shares purchased	Share price paid per Share	
		Highest HK\$	Lowest HK\$
27 April 2004	170,000	2.800	2.700
28 April 2004	200,000	2.800	2.725
29 April 2004	126,000	2.850	2.800
5 May 2004	26,000	2.950	2.950
6 May 2004	94,000	2.900	2.850
11 May 2004	10,000	2.900	2.900
12 May 2004	56,000	2.900	2.850
13 May 2004	20,000	2.850	2.800
14 May 2004	140,000	2.700	2.625
17 May 2004	10,000	2.600	2.600
18 May 2004	80,000	2.600	2.500
19 May 2004	38,000	2.625	2.550
20 May 2004	54,000	2.600	2.550
21 May 2004	<u>10,000</u>	2.600	2.600
<b>Total:</b>	<u><u>1,034,000</u></u>		

**7. GENERAL**

None of the Directors or, to the best of their knowledge, having made all reasonable enquiries, their associates, have any present intention to sell to the Company or its subsidiaries any of the Shares if the Repurchase Mandate is approved at the Annual General Meeting and exercised.

No connected person of the Company has notified the Company that he has a present intention to sell to the Company or its subsidiaries Shares nor has any such connected person undertaken not to do so in the event that the Repurchase Mandate is granted.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Bermuda.

The amendments that are proposed to be made to the Bye-laws are set out below.

For ease of reference, the text of the relevant Bye-laws of the Bye-laws which are recommended for amendments have also been reproduced.

**1. PROPOSED AMENDMENT TO BYE-LAW 1:**

- (a) By inserting a new definition of “associates” immediately after the definition of “Act” as follows:

““associates” in relation to any Director, shall have the meaning as ascribed to it in the rules of the Designated Stock Exchange.”; and

- (b) by deleting the words “a recognized clearing house within the meaning of Section 2 of the Securities and Futures (Clearing Houses) Ordinance of Hong Kong or” in the definition of “clearing house”.

**2. PROPOSED AMENDMENT TO BYE-LAW 77:**

By deleting the existing Bye-law 77 in its entirety and replacing therewith the proposed new Bye-law 77.

**Existing Bye-law 77:**

“If:

- (a) any objection shall be raised to the qualification of any voter; or
- (b) any votes have been counted which ought not to have been counted or which might have been rejected; or
- (c) any votes are not counted which ought to have been counted,

the objection or error shall not vitiate the decision of the meeting or adjourned meeting on any resolution unless the same is raised or pointed out at the meeting or, as the case may be, the adjourned meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the chairman decides that the same may have affected the decision of the meeting. The decision of the chairman on such matters shall be final and conclusive.”

**Proposed new Bye-law 77:**

“77. (a) Subject to paragraph (b) of this Bye-law 77, no objection shall be raised to the qualification of any person exercising or purporting to exercise a vote or the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made shall be referred to the chairman of the meeting, whose decision shall be final and conclusive.

- (b) Where the Company has knowledge that any Member is, under the rules of the Designated Stock Exchange, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such Member in contravention of such requirement or restriction shall not be counted.”

### 3. PROPOSED AMENDMENT TO BYE-LAW 88:

By deleting the words “not less than seven (7) clear days but not more than fourteen (14) clear days before the date of the general meeting” and inserting the words “provided that the minimum length of the period, during which such Notice(s) are given, shall be at least seven (7) days and that the period for lodgement of such Notices shall commence no earlier than the day immediately after the despatch of the notice of the general meeting appointed for such election and shall end no later than seven (7) days before the date appointed for such general meeting” in their place.

#### Existing Bye-law 88:

“No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a Notice signed by a Member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a Notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office or at the Registration Office not less than seven (7) clear days but not more than fourteen (14) clear days before the date of the general meeting.”

#### Proposed amended Bye-law 88:

“No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a Notice signed by a Member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a Notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office and at the Registration Office provided that the minimum length of the period, during which such Notice(s) are given, shall be at least seven (7) days, and that the period for lodgement of such Notices shall commence no earlier than the day immediately after the despatch of the notice of the general meeting for such election and shall end no later than seven (7) days before the date appointed for such general meeting.”

### 4. PROPOSED AMENDMENT TO BYE-LAW 101:

By inserting the words “or any of his associates” immediately after the word “Director” on the fourth line.

#### Existing Bye-law 101:

“Subject to the Act and to these Bye-laws, 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 of such Director holding that office or of the fiduciary relationship thereby established provided that such Director shall disclose the nature of his interest in any contract or arrangement in which he is interested in accordance with Bye-law 102 herein.”

**Proposed amended Bye-law 101:**

“Subject to the Act and to these Bye-laws, 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 or any of his associates 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 of such Director holding that office or of the fiduciary relationship thereby established provided that such Director shall disclose the nature of his interest in any contract or arrangement in which he is interest in accordance with Bye-law 102 herein.”

**5. INSERTION OF THE FOLLOWING BYE-LAW 101A AS NEW BYE-LAW 101A:**

“101A. A Director shall not vote or be counted in the quorum on any resolution of the Directors concerning his own appointment or the appointment of any of his associates 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).”

**6. INSERTION OF THE FOLLOWING BYE-LAW 101B AS NEW BYE-LAW 101B:**

“101B. Where arrangements are under consideration concerning the appointment (including the arrangement, remuneration or variation of the terms thereof, or the termination thereof) of two or more Directors or any of the associate(s) of any such Director(s) 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 or, as the case may be, the associate(s) of such 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 appointment of any of his associates (or the arrangement or variation of the terms thereof, or the termination thereof) and (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 and his associates in aggregate own five (5) per cent. or more of the issued shares of any class of the voting equity share capital of such company or of the voting rights of any class of shares of such company (other than shares which carry no voting rights at general meetings and no or nugatory dividend and return of capital rights).”

**7. PROPOSED AMENDMENT TO BYE-LAW 102:**

By deleting the existing Bye-law 102 in its entirety and replacing therewith the proposed new Bye-law 102.



**Existing Bye-law 102:**

“102. 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 at the meeting of the Board at which the question of entering into the contract or arrangement is first considered, if he knows his interest then exists, or in any other case at the first meeting of the Board after he knows that he is or has 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 is a member or officer 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
- (b) he 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 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.”

**Proposed new Bye-law 102:**

“102. If to the knowledge of a Director, he or any of his associates, is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company, he shall declare the nature of his or, as the case may be, his associate(s)’ interest 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 associate(s) then exists, or in any other case at the first meeting of the Board after he knows that he or his associate(s) is or has 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 his associate(s) is a shareholder 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 (b) he or his associate(s) 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 or any of his associate(s), 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 meeting of the Board after it is given.”

**8. PROPOSED AMENDMENT TO PARAGRAPH (1) OF BYE-LAW 103:**

By deleting the existing paragraph (1) of Bye-law 103 and replacing therewith the proposed new paragraph (1) of Bye-law 103.

**Existing paragraph (1) of Bye-law 103:**

- “(1) 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 any other proposal in which he is materially interested, but this prohibition shall not apply to any of the following matters namely:
- (i) any contract or arrangement for the giving to such Director any security or indemnity in respect of money lent by him or obligations incurred or undertaken by him at the request of or for the benefit of the Company or any of its subsidiaries;
  - (ii) any contract or arrangement for the giving 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 has himself assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;
  - (iii) any contract or arrangement 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 is or is to be interested as a participant in the underwriting or sub-underwriting of the offer;
  - (iv) any contract or arrangement in which he is interested in the same manner as other holders of shares or debentures or other securities of the Company or any of its subsidiaries by virtue only of his interest in shares or debentures or other securities of the Company;
  - (v) any contract or arrangement concerning any other company in which he is interested only, whether directly or indirectly, as an officer or executive or a shareholder other than a company in which the Director together with any of his associates (as defined by the rules, where applicable, of the Designated Stock Exchange) is beneficially interested in five (5) per cent or more of the issued shares or of the voting rights of any class of shares of such company (or any third company through which his interest is derived); or
  - (vi) any proposal concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death or disability benefits scheme or other arrangement which relates both to directors and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director as such any privilege or advantage not accorded to the employees to which such scheme or fund relates.”

**Proposed new paragraph (1) of Bye-law 103:**

“(1) A Director shall not vote (nor be counted in the quorum) on any resolution of the Board approving any contract or arrangement or proposal in which he or any of his associate(s) is to his knowledge materially interested, and if he shall do so his vote shall not be counted (nor is 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 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 company in which the Company has interest;
- (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 company in which the Company has interest for which the Director or his associate(s) has himself/themselves guaranteed or secured or otherwise assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (iii) any contract or arrangement by the Director or his associate(s) to subscribe for shares or debentures or other securities of the Company to be issued pursuant to any offer or invitation to the shareholders or debenture or securities holders of the Company or to the public which does not provide the Director and his associate(s) any privilege not accorded to any other shareholders or debenture or securities holders of the Company 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 associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer and/or for the purposes of making any representations, the giving of any covenants, undertakings or warranties or assuming any other obligations in connection with such offer;
- (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 respective interest in shares or debentures or other securities of the Company and/or his/their being the offeror or one of the offerors or is interested in one of the offerors for the purchase or effective acquisition of such shares, debentures or other securities;
- (vi) any contract or arrangement concerning any other company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or an executive or a shareholder in which the Director or his associate(s) is/are beneficially interested in shares of that company provided that, such Director and any of his associates are not in aggregate beneficially interested in five (5) per cent. or more of the issued shares of any class of the voting equity share capital of such company (or of any third company through which his interest or that of any of his associates is derived) or of the voting rights of any class of shares of such company (other than shares which carry no voting rights at general meetings and no or nugatory dividend and return of capital rights);

- (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 or personal pension plan under which a Director, his associate(s) and employees of the Company or of any of its subsidiaries may benefit and which has been approved by or is subject to and conditional on approval by the relevant taxing authorities for taxation purposes or relates to Directors, associate(s) of Directors and employees of the Company or of any of its subsidiaries and does not give the Director or his associate(s) any privilege or advantage not accorded to the class of persons to whom such scheme or fund relates;
- (viii) any proposal or arrangement 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 associate(s) may benefit; and
- (ix) any contract, transaction or proposal concerning the purchase and/or maintenance of any insurance policy for the benefit of any Director, his associate(s), officer or employee pursuant to these Bye-laws."

#### **9. PROPOSED AMENDMENT TO PARAGRAPH (2) OF BYE-LAW 103:**

By deleting the existing paragraph (2) of Bye-law 103 and replacing therewith the proposed new paragraph (2) of Bye-law 103.

##### **Existing paragraph (2) of Bye-law 103:**

"(2) A company shall be deemed to be a company in which a Director owns five (5) per cent. or more if and so long as (but only if and so long as) he and his associates (as defined by the rules, where applicable, of the Designated Stock Exchange), (either directly or indirectly) are 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 the voting rights available to members of such company (or of any third company through which his interest is derived). For the purpose of this paragraph there shall be disregarded any shares held by a Director as bare or custodian trustee and in which he has no beneficial interest, any shares comprised in a trust in which the Director'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 is interested only as a unit holder and any shares which carry no voting right at general meetings and very restrictive dividend and return of capital right."

##### **Proposed new paragraph (2) of Bye-law 103:**

"(2) A company shall be deemed to be a company in which a Director and/or his associate(s) own(s) five (5) per cent. or more if and so long as (but only if and so long as) he and/or his associates (either directly or indirectly) are 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 the voting rights available to members of such company (or of any third company through which his interest or that of any of his associates is derived). For the purpose of this paragraph there shall be disregarded any shares held by a Director or any of his associate(s) as bare or custodian trustee and in which he or such associate(s) has/have no beneficial interest, any shares comprised in a trust in which the interest of the Director or any of his associates is in reversion or remainder if and so long as some other person is entitled to receive the income thereof, any shares comprised in an authorised unit trust

scheme in which the Director or any of his associates is interested only as a unit holder, and any shares which carry no voting right at general meetings and no or nugatory dividend and return of capital rights.”

**10. PROPOSED AMENDMENT TO PARAGRAPH (3) OF BYE-LAW 103:**

- (a) By deleting the words “together with any of his associates (as defined by the rules, where applicable, of the Designated Stock Exchange) holds” and inserting the words “and/or any of his associate(s) holds” in their place; and
- (b) by inserting the words “and/or his associate(s)” immediately after the words “then that Director”.

**Existing paragraph (3) of Bye-law 103:**

“(3) Where a company in which a Director together with his associates (as defined by the rules, where applicable, of the Designated Stock Exchange) holds five (5) per cent. or more is materially interested in a transaction, then that Director shall also be deemed materially interested in such transaction.”

**Proposed amended paragraph (3) of Bye-law 103:**

“(3) Where a company in which a Director and/or any of his associate(s) holds five (5) per cent. or more is materially interested in a transaction, then that Director and/or his associate(s) shall also be deemed materially interested in such transaction.”

**11. PROPOSED AMENDMENT TO PARAGRAPH (4) OF BYE-LAW 103:**

By inserting the words “or any of his associates” immediately after the words “a Director (other than the chairman of the meeting)” on the second line and inserting the words “or his associates” immediately after the words “the Directors concerned” on the sixth line and the words “the interest of such chairman” on the tenth line.

**Existing paragraph (4) of Bye-law 103:**

“(4) If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the chairman of the meeting) or as to the entitlement of any Director (other than such chairman) to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director concerned as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the chairman of the meeting such question shall be decided by a resolution of the Board (for which purpose such chairman shall not 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 as known to such chairman has not been fairly disclosed to the Board.”

**Proposed amended paragraph (4) of Bye-law 103 is set out below:**

“(4) If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the chairman of the meeting) or any of his associates or as to the entitlement of any Director (other than such chairman) to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director concerned or his associates as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the chairman of the meeting such question shall be decided by a resolution of the Board (for which purpose such chairman shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman or his associates as known to such chairman has not been fairly disclosed to the Board.”

The following are the particulars of the two Directors (as required by the Listing Rules) proposed to be re-elected at the Annual General Meeting:

1. **Mr. FU Jin Ming, Patrick**, aged 59, is an executive director of the Company. Mr. Fu joined the Group in 1969. Mr. Fu has extensive experience in the sourcing industry, particularly in garment. Currently, Mr. Fu oversees a number of the Group's major customers in North America and leads the Group's China focused projects. Mr. Fu holds a Bachelor of Arts degree from Fu Jen Catholic University of Taiwan and participated in the "Retail Executive Development Programme" at The University of British Columbia, Canada. Apart from being a Director, Mr. Fu also holds the office of director in various subsidiaries of the Company. Mr. Fu was an executive director of Roly International from 2001 to 2002.

As at the Latest Practicable Date, Mr. Fu was beneficial owner of 3,000,000 ordinary shares ("Roly International Shares") of US\$0.10 each in Roly International and 1 preference share of 2,000 Baht in Westman Linmark (Thailand) Ltd.. Mr. Fu also has a personal interest in warrants carrying right to subscribe for 750,000 Roly International Shares. Mr. Fu does not have any relationship with any Directors, senior management or substantial or controlling Shareholders. There is a service contract between the Company with Mr. Fu for an initial term of three years commencing on 1 May 2002, and will continue thereafter until terminated by either party by giving to the other not less than six months' notice in writing. Under the service contract, the emoluments of Mr. Fu shall be US\$250,000 per annum and is also entitled to a profit-based bonus determined at the discretion of the Board or a committee thereof established for such purpose.

2. **Mr. WANG Arthur Minshiang**, aged 43, is an independent non-executive director of the Company appointed since 22 April 2002 for a term of two years from 1 May 2002. Mr. Wang is also the chief executive officer and a board director of GigaMedia Limited, a NASDAQ listed internet service provider and music retailer, having assumed both positions on 1 December 2003. He has also been a non-executive director of Advanced Engine Components Limited, a company listed on The Australian Stock Exchange Limited since 7 August 2003. In addition, since 1 June 2000, Mr. Wang has been a partner of 698 Capital (HK) Limited, a private company based in Hong Kong whose principal activity is investment in private high growth companies in the Asia Pacific region. Previously, Mr. Wang was a co-founder and executive director of KGI Asia Limited, the investment banking arm of the Koos Group of Taiwan during the period from 1 March 1997 to 30 May 2000. Mr. Wang also serves on the board of directors of several finance and technology companies in the region and from 10 March 2000 to 15 May 2001, was an independent non-executive director and chair of the audit committee of Softbank Investment International (Strategic) Limited, the shares of which are listed on the Main Board of the Stock Exchange and a branch of Softbank Finance Corporation. Mr. Wang received his Juris Doctorate degree from Yale Law School and practiced corporate and securities law in Hong Kong and New York. He also holds a Bachelor of Arts degree from the University of California at Los Angeles, the United States.

As at the Latest Practicable Date, Mr. Wang was beneficial owner of 260,000 Shares. Mr. Wang does not have any relationship with any Directors, senior management or substantial or controlling Shareholders. There is no service contract between the Company and Mr. Wang. Pursuant to the appointment letter entered into between the Company and Mr. Wang, Mr. Wang has been appointed as an independent non-executive Director for a term of two years from 1 May 2004 and the emoluments of Mr. Wang shall be HK\$259,200 per annum. Save as disclosed above, Mr. Wang does not hold any directorship in any other listed companies.

# LINMARK

## LINMARK GROUP LIMITED

*(Incorporated in Bermuda with limited liability)*

**NOTICE IS HEREBY GIVEN** that the annual general meeting of Linmark Group Limited (“Company”) will be held on Monday, 16 August 2004 at 3:00 p.m. at Chater Room II & III, Function Room Level, B1, The Ritz-Carlton, 3 Connaught Road Central, Hong Kong to transact the following ordinary businesses:

1. to receive and approve the audited consolidated financial statements and the reports of the directors and auditors for the year ended 30 April 2004;
- 2.1 each as a separate resolution, to re-elect the following retiring directors as directors:
  - 2.1.1 FU Jin Ming, Patrick
  - 2.1.2 WANG Arthur Minshiang
- 2.2 to authorise the directors to fix the directors’ remuneration;
3. to appoint Messrs. PricewaterhouseCoopers as new auditors of the Company to hold office until conclusion of the next annual general meeting at a fee to be agreed with the directors;
4. to approve the payment of the final dividend of 4.5 HK cents per share of the Company for the year ended 30 April 2004;

and, as special businesses, to consider and, if thought fit, pass the following resolutions, with or without modifications, as ordinary/special resolutions:

### ORDINARY RESOLUTIONS

5. **“THAT:**
  - (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities (“**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”), the exercise by the directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with the additional shares in the share capital of the Company and to make or grant offers, agreements and options, including warrants to subscribe for shares, which may require the exercise of such powers be and are hereby generally and unconditionally approved;
  - (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period (as defined below) to make or grant offers, agreements and options which may require the exercise of such powers after the end of the Relevant Period;
  - (c) the aggregate nominal amount of share capital allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to options or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any options



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## NOTICE OF ANNUAL GENERAL MEETING

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granted under all share option schemes of the Company adopted from time to time in accordance with the Listing Rules; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of shares in lieu of the whole or part of a dividend on shares in accordance with the bye-laws of the Company in force from time to time; or (iv) any issue of shares in the Company upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into shares in the Company, shall not exceed the aggregate of:

- (aa) 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
- (bb) (if the directors of the Company are so authorised by a separate ordinary resolution of the shareholders of the Company) the aggregate nominal amount of any share capital of the Company purchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 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

- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of 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 bye-laws of the Company, the Companies Act 1981 of Bermuda or any other applicable law of Bermuda to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution.

“**Rights Issue**” means an offer of shares in the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for shares in the Company open for a period fixed by the directors of the Company to the shareholders of the Company whose names appear on the Company’s register of members on a fixed record date in proportion to their then holdings of shares in the Company (subject to such exclusion or other arrangements as the directors of the Company 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, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

6. “**THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period (as defined below) of all powers of the Company to purchase shares (each a “**Share**”) of US\$0.02 each in the share capital of the Company on the Main Board of the

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## NOTICE OF ANNUAL GENERAL MEETING

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Stock Exchange or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission of Hong Kong, the Stock Exchange, the Companies Act 1981 of Bermuda and all other applicable laws in this regard, be and is hereby generally and unconditionally approved;

- (b) the aggregate nominal amount of Shares which may be purchased or agreed to be purchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at 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 date of 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 bye-laws of the Company, the Companies Act 1981 of Bermuda or any other applicable law of Bermuda to be held; and
    - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution.”
7. “**THAT** conditional on the passing of resolutions set out in the notice convening this meeting as Resolutions Nos. 5 and 6, the general mandate granted to the directors of the Company pursuant to the approval granted under the resolution set out in the notice convening this meeting as Resolution No. 5 above be and is hereby extended by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to or in accordance with such general mandate an amount representing the aggregate nominal amount of the share capital of the Company which has been purchased by the Company since the granting of such general mandate pursuant to the exercise by the directors of the Company of the powers of the Company to purchase such shares pursuant to or in accordance with the authority granted under the resolution set out in the notice convening this meeting as Resolution No. 6, provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution.”
8. “**THAT** the rules governing the share option scheme of the Company adopted on 22 April 2002 (“**Share Option Scheme**”) be and are hereby amended in the following manner:
- (a) Rule 1(A) of the Share Option Scheme shall be amended by deletion of the words “but shall exclude WANG Lu Yen, one of the substantial shareholders of the Company as at the Adoption Date, and any of his associates so long as WANG Lu Yen remains as a substantial shareholder of the Company (as substantial shareholder is construed in accordance with the Listing Rules from time to time)” in the definition of “Eligible Person”;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) Rule 3 of the Share Option Scheme be amended by deleting sub-paragraph (ii) in paragraph 3(B) in its entirety and replacing therewith the following:

“(ii) during the period commencing one month immediately preceding the earlier of:

- (a) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company’s results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
- (b) the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement.”; and

- (c) Rule 4 of the Share Option Scheme be amended by:

- (a) insertion of the words “in favour” immediately before the words “at such general meeting” on the thirteenth line in paragraph 4(F); and
- (b) deletion of the words “, except that any connected person may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular which the Company is required to send to Shareholders for seeking approval on the matter referred to in the paragraph 4(F) above” on the fourteenth line in paragraph 4(F).”

### SPECIAL RESOLUTION

9. “**THAT** the bye-laws of the Company be and are hereby amended in the manner described in Appendix II to the circular of the Company to its shareholders dated 21 July 2004.”

By Order of the Board  
**CHEUNG Hoi Yin, Brenda**  
*Company Secretary*

Hong Kong, 21 July 2004

*Head office and principal place  
of business in Hong Kong:*  
20th Floor, Office Tower One  
The Harbourfront  
18 Tak Fung Street  
Hung Hom, Kowloon  
Hong Kong

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## NOTICE OF ANNUAL GENERAL MEETING

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**Notes:**

- (1) A member entitled to attend and vote at the above meeting may appoint one or, if he is the holder of two or more shares, more than one proxy to attend and vote on his behalf and such proxy need not be a member of the Company. A form of proxy for use at the meeting is enclosed.
- (2) In order to be valid, the form of proxy, together with any power of attorney or authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at the Company's branch share registrars in Hong Kong, Standard Registrars Limited of Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
- (3) Completion and return of the form of proxy will not preclude a shareholder of the Company from attending and voting in person at the meeting convened or any adjournment thereof and in such event, the authority of the proxy shall be deemed to be revoked.
- (4) In the case of joint holders of a share, any one of such joint holders may vote, either in person or by proxy, in respect of such shares as if he were solely entitled thereto but if more than one of such joint holders are present at the meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
- (5) Mr. WANG Lu Yen, together with his associates (as defined in the Listing Rules), will abstain from voting in relation to the Resolution No. 8 as set out in the notice convening this meeting.