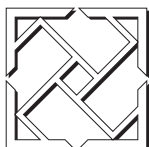

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in **Artfield Group Limited**, you should at once hand this circular and the accompanying proxy form 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.

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 circular.



ARTFIELD GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1229)

**GENERAL MANDATES TO REPURCHASE SHARES
AND TO ISSUE SHARES,
RE-ELECTION OF DIRECTORS
AND
AMENDMENTS TO THE BYE-LAWS OF THE COMPANY**

A notice convening an annual general meeting of Artfield Group Limited to be held at Flats G & H, 12th Floor, Universal Industrial Centre, 19-21 Shan Mei Street, Fo Tan, Shatin, New Territories, Hong Kong on Thursday, 25 August 2005 at 10:30 a.m. is set out on pages 12 to 16 of this circular. A form of proxy for use at the annual general meeting is also enclosed.

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 principal place of business of the Company at 13th Floor, Universal Industrial Centre, 19-21 Shan Mei Street, Fo Tan, Shatin, New Territories, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting. Completion and return of the form of proxy will not prevent you from attending and voting at the meeting if you so wish.

28 July 2005

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	
1. Introduction	3
2. General mandates to issue and repurchase shares	4
3. Re-election of Directors	4
4. Amendments to the bye-laws of the Company	5
5. Annual General Meeting	5
6. Procedures for demanding a poll by shareholders	6
7. Recommendation	6
Appendix I – Explanatory Statement	7
Appendix II – Details of Directors proposed to be re-elected	10
Notice of Annual General Meeting	12

DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at Flats G & H, 12th Floor, Universal Industrial Centre, 19-21 Shan Mei Street, Fo Tan, Shatin, New Territories, Hong Kong on Thursday, 25 August 2005 at 10:30 a.m., notice of which is set out on pages 12 to 16 of this circular
“Board”	the board of Directors
“Bye-laws”	The bye-laws of the Company
“CG Code”	Code on Corporate Governance Practices
“Company”	Artfield Group Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	21 July 2005, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	share(s) of HK\$0.10 each in the capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company
“Shareholder(s)”	the holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

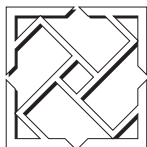
“Takeovers Code”

The Hong Kong Code on Takeovers and Mergers

“HK\$”

Hong Kong dollars, the lawful currency of Hong Kong

LETTER FROM THE BOARD



ARTFIELD GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1229)

Directors:

LIANG Jin You (*Chairman & Managing Director*)

LI Kwo Yuk (*Deputy Chairman*)

LEUNG Kin Yau

OU Jian Sheng

DENG Ju Neng

LIN Dong Hong

LO Ming Chi, Charles#

LO Wah Wai#

ORR, Joseph Wai Shing#

Independent non-executive director

Registered Office:

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

Principal place of business:

13th Floor

Universal Industrial Centre

19-21 Shan Mei Street

Fo Tan, Shatin

New Territories

Hong Kong

28 July 2005

To the Shareholders

Dear Sir or Madam

**GENERAL MANDATES TO REPURCHASE SHARES
AND TO ISSUE SHARES,
RE-ELECTION OF DIRECTORS
AND
AMENDMENTS TO THE BYE-LAWS OF THE COMPANY**

1. INTRODUCTION

The purpose of this circular is to provide you with information with respect to the ordinary resolutions and special resolution to be proposed at the forthcoming annual general meeting (“AGM”) of Artfield Group Limited (the “Company”) to be held on Thursday, 25 August 2005 relating to (i) the general mandates to repurchase shares and to issue shares by the Company; (ii) the re-election of Directors; and (iii) the amendments to the Bye-laws of the Company.

LETTER FROM THE BOARD

2. GENERAL MANDATE TO ISSUE AND REPURCHASE SHARES

At the last AGM held on 26 August 2004, resolutions were passed giving general mandates to the Directors to exercise all powers of the Company to issue and to repurchase shares. Such general mandates will lapse at the conclusion of the forthcoming AGM. Ordinary resolutions will therefore be proposed at the forthcoming AGM to grant to the Directors general mandates as follows:

- (i) to allot, issue or deal with Shares with an aggregate nominal amount not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company at the date of passing the proposed resolution at the AGM; and
- (ii) to purchase Shares with an aggregate nominal amount not exceeding 10% of the aggregate nominal amount of issued share capital of the Company as at the date of passing the proposed resolution at the AGM.

The Directors will also propose a separate ordinary resolution at the AGM to add to the general mandate to issue those Shares purchased by the Company pursuant to the repurchase mandate granted to the Directors at the AGM.

An explanatory statement, as required by the Listing Rules to regulate the repurchase by companies with primary listing on the Stock Exchange of their own securities on the Stock Exchange, to give requisite information for your consideration of the proposal to authorise the Directors to exercise the power of the Company to purchase Share(s) up to a maximum of 10% of the issued share capital of the Company as at the date of the AGM is set out in Appendix I to this circular.

3. RE-ELECTION OF DIRECTORS

In accordance with the bye-law 87 of the bye-laws of the Company, Mr. LEUNG Kin Yau and Mr. LO Wah Wai will retire from their offices by rotation at the AGM. In addition, in accordance with the bye-law 86(2), Mr. ORR, Joseph Wai Shing, a Director appointed by the board of Directors during the year shall retire from his office at the AGM. Being eligible, Mr. LEUNG Kin Yau, Mr. LO Wah Wai and Mr. ORR, Joseph Wai Shing will offer themselves for re-election as Directors at the AGM. Details of the above Directors are required to be disclosed by the Listing Rules are set out in Appendix II to this circular.

LETTER FROM THE BOARD

4. AMENDMENTS TO THE BYE-LAWS OF THE COMPANY

On 1 January 2005, the Listing Rules were amended by, among others, replacing the Code of Best Practice in Appendix 14 with a new CG Code. To bring the constitution of the Company in alignment with certain provisions of the CG Code, the Directors propose to seek approval from the Shareholders at the AGM a special resolution to amend the Bye-laws. These amendments, for the purpose of complying with the CG Code and new Rule 13.39 of the Listing Rules, are summarised below:-

- (i) Bye-law 68 is amended to require the chairman to disclose the voting figures on a poll. (Rule 13.39 of the Listing Rules)
- (ii) Bye-law 86 is amended to provide that all Directors appointed to fill a casual vacancy shall be subject to election by Shareholders at the first general meeting, instead of the next following annual general meeting after their appointment and that they shall not be taken into account in determining the number of Directors to retire in each year. (CG Code provision A.4.2)
- (iii) Bye-law 87 is amended to clearly provide that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years in accordance with the CG Code and that the directors holding office as chairman of the Board or managing director shall also be subject to retirement by rotation. (CG Code provision A.4.2)
- (iv) Bye-law 122 is amended to provide that a matter should not be dealt with by way of circulation of board resolutions where a substantial shareholder or a director has a conflict of interest in the matter under consideration. (CG Code provision A.1.8)

The proposed amendments to the Bye-laws are stated in the proposed special resolution no. 7 in the notice convening the AGM as set out on pages 12 to 16 of this circular. A copy of the Bye-laws will be available for inspection at the Company's principal place of business in Hong Kong at 13th Floor, Universal Industrial Centre, 19-21 Shan Mei Street, Fo Tan, Shatin, New Territories, Hong Kong during normal business hours from the date hereof up to and including the date of the AGM.

5. ANNUAL GENERAL MEETING

The notice of the AGM is set out on pages 12 to 16 of this circular. At the AGM, ordinary resolutions will be proposed to approve, inter alia, (i) the general mandates to repurchase shares and to issue shares by the Company; and (ii) the re-election of Directors. In addition, a special resolution will be proposed to approve the amendments to the Bye-laws of the Company.

A form of proxy for use at the AGM is enclosed with this circular. Whether or not you are able to attend the AGM, you are requested to complete the accompanying form of proxy in accordance with the instruction printed thereon and return the same to the principal place of business of the Company at 13th Floor, Universal Industrial Centre, 19-21 Shan Mei Street, Fo Tan, Shatin, New Territories, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding of the AGM. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM if you so wish.

LETTER FROM THE BOARD

6. PROCEDURES FOR DEMANDING A POLL BY SHAREHOLDERS

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

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

7. RECOMMENDATION

The Directors consider that the proposed ordinary resolutions and special resolution set out in the notice of AGM are in the best interests of the Company and the Shareholders as a whole, and so recommend Shareholders to vote in favour of all the resolutions to be proposed at the AGM.

Yours faithfully
For and on behalf of the Board
Artfield Group Limited
LIANG Jin You
Chairman

The following is an explanatory statement required by the Listing Rules to be presented to Shareholders concerning the mandate to repurchase Shares proposed to be granted to the Directors.

1. LISTING RULES

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their securities on the Stock Exchange subject to certain restrictions, the most important of which is summarised below:

The Listing Rules provide that all proposed purchases of securities by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of a general mandate or by a specific approval of a particular transaction and that the securities to be purchased must be fully paid up.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 262,478,584 Shares.

Subject to the passing of the ordinary resolution granting the Share Repurchase Mandate and on the basis that no Shares are issued or repurchased by the Company prior to the AGM, the Company would be allowed under the Share Repurchase Mandate to repurchase a maximum of 26,247,858 Shares, representing 10% of the issued share capital of the Company as at the date of passing the resolution.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association, its bye-laws and the laws of Bermuda.

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 March 2005) in the event that the Share Repurchase Mandate was to be exercised in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Share Repurchase Mandate to such extent, as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels, which in the opinion of the Directors are from time to time appropriate for the Company.

4. REASON FOR REPURCHASES

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

5. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange to exercise the powers of the Company to make purchases pursuant to the proposed resolution in accordance with the Listing Rules and all applicable laws of Bermuda, and in accordance with the regulations set out in the memorandum of association and bye-laws of the Company.

6. EFFECT OF TAKEOVERS CODE

A repurchase of Shares by the Company may result in an increase in the proportionate interests of a substantial shareholder of the Company in the voting rights of the Company, which could give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Hong Kong Code on Takeovers and Mergers (the “Code”).

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, Golden Glory Group Limited (whose sole director and ultimate 100% beneficial owner is Mr. LIANG Jin You, a director of the Company) who held approximately 45.41% of the issued share capital of the Company, was the only substantial shareholder holding more than 10% of the issued share capital of the Company. In the event that the Directors should exercise in full the powers to repurchase Shares which is proposed to be granted pursuant to the resolution, the shareholding of Golden Glory Group Limited in the Company would be increased to approximately 50.45% of the issued share capital of the Company and such increase would give rise to an obligation to make a mandatory offer under Rule 26 of the Code. The Directors have no present intention to exercise the Repurchase Mandate to such an extent that it would result in such takeover obligations. Save as aforesaid, the Directors are not aware of any consequences which would arise under the Code as a consequence of any repurchases pursuant to the Repurchase Mandate.

7. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

None of the Directors nor, to the best of the knowledge and belief of the Directors having made all reasonable enquiries, any of the associates (as defined in the Listing Rules) has any present intention, in the event that the proposal is approved by shareholders, to sell Shares to the Company or its subsidiaries.

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

8. SHARE REPURCHASES MADE BY THE COMPANY

No purchase has been made by the Company of its Shares in the six months prior to the Latest Practicable Date.

9. SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange in each of the previous twelve months were as follows:–

		Price per Share	
		Highest	Lowest
		<i>HK\$</i>	<i>HK\$</i>
2004	July	0.6500	0.5000
	August	0.6200	0.5200
	September	0.5800	0.4900
	October	0.5400	0.4000
	November	0.5300	0.4400
	December	0.5200	0.4000
2005	January	0.4750	0.4200
	February	0.4650	0.4100
	March	0.4750	0.4050
	April	0.4700	0.4350
	May	0.4300	0.3000
	June	0.4500	0.3300
	July (up to Latest practicable Date)	0.4000	0.2800

APPENDIX II DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

Pursuant to the Listing Rules, the details of the Directors who will retire at the AGM according to the Bye-laws of the Company and, being eligible, will offer themselves for re-election at the AGM, are set out below:–

Mr. LEUNG Kin Yau, aged 40, is an executive director of the Company was appointed in August 1998. Mr. Leung joined the Group in 1998. He has over 15 years' experience in the trading of industrial materials and consumer products between Hong Kong and the PRC. He was appointed as the Marketing President of the Group to oversee the corporate marketing strategies and manage the local and overseas marketing teams of the Group.

There is no service contract and specific length of service between the Company and Mr. Leung. Mr. Leung is entitled to receive a monthly salary of HK\$20,000 with a 13th month discretionary bonus (the level of such discretionary bonus to be decided by the Board at its absolute discretion having regard to the performance of the Director and the operating results of the Group).

Mr. Leung had not held any directorships in any other listed public companies in the last three years.

Mr. Leung is a brother of Mr. LIANG Jin You, who is the Chairman of the Group. Save as disclosed above, Mr. Leung does not have any relationship with any other directors, senior management, substantial or controlling shareholders (as defined in the Listing Rules) of the Company.

As at the Latest Practicable Date, Mr. Leung does not have any interest in Shares within the meaning of Part XV of the SFO.

Save as disclosed above, there are no other matters that need to be brought to the attention of shareholders of the Company.

Mr. LO Wah Wai, aged 41, is an executive director of the Company was appointed on 16 September 1998 and was re-designated as a non-executive director of the Company on 15 May 2001 and was re-designated as an independent non-executive director of the Company on 30 September 2004. He holds a bachelor's degree in business administration from the Chinese University of Hong Kong, is an associate member of the Hong Kong Institute of Certified Public Accountants and is the Senior International Finance Manager. Prior to joining the Group in 1998, he worked and held senior positions in both an international accounting firm and an investment bank where he accumulated extensive experience in statutory accounting, corporate finance and strategic investment. He is currently the chairman and an executive director of BM Intelligence International Limited, a company listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

There is no service contract between the Company and Mr. Lo. Mr. Lo is entitled to receive a director's fee of HK\$50,000 per annum.

Save as disclosed above, Mr. Lo does not have any relationship with any other directors, senior management, substantial or controlling shareholders (as defined in the Listing Rules) of the Company.

As at the Latest Practicable Date, Mr. Lo does not have any interest in Shares within the meaning of Part XV of the SFO.

Save as disclosed above, there are no other matters that need to be brought to the attention of shareholders of the Company.

Mr. ORR, Joseph Wai Shing, aged 45, is an independent non-executive director of the Company was appointed on 30 September 2004. He holds a MBA from Kellogg School of Management, Northwestern University and the Hong Kong University of Science and Technology, a Professional Diploma in PRC corporate, tax and accounting systems from Zhongshan University, a Master of Arts Degree in International Business and International Financial Management from the University of Reading and a Bachelor of Arts (Hons) degree in Accounting and Finance from Middlesex University. He is a Certified Public Accountant in the United States, a Certified Practising Accountant in Australia and a member of American Institute of Certified Public Accountants and the Hong Kong Institute of Certified Public Accountants.

Mr. Orr had not held any directorships in any other listed public companies in the last three years.

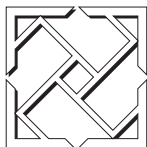
There is no service contract between the Company and Mr. Orr. Mr. Orr is entitled to receive a director's fee of HK\$50,000 per annum.

Save as disclosed above, Mr. Orr does not have any relationship with any other directors, senior management, substantial or controlling shareholders (as defined in the Listing Rules) of the Company.

As at the Latest Practicable Date, Mr. Orr does not have any interest in Shares within the meaning of Part XV of the SFO.

Save as disclosed above, there are no other matters that need to be brought to the attention of shareholders of the Company.

NOTICE OF ANNUAL GENERAL MEETING



ARTFIELD GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1229)

NOTICE IS HEREBY GIVEN THAT the annual general meeting of Artfield Group Limited (the “Company”) will be held at Flats G & H, 12th Floor, Universal Industrial Centre, 19-21 Shan Mei Street, Fo Tan, Shatin, New Territories, Hong Kong on Thursday, 25 August 2005 at 10:30 a.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements and the reports of the directors and auditors for the year ended 31 March 2005.
2. To re-elect the retiring directors and to authorise the board of directors to fix the directors’ remuneration.
3. To re-appoint auditors and to authorise the board of directors to fix their remuneration.
4. As special business, to consider and, if thought fit, pass, with or without amendments, the following resolution as an ordinary resolution of the Company:

“THAT

- (A) subject to paragraph (B) of this resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase its own shares of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Future Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) or any other stock exchange as amended from time to time, be and is hereby, generally and unconditionally approved;
- (B) the aggregate nominal amount of shares of the Company to be repurchased by the Company pursuant to the approval in paragraph (A) of this resolution during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution and the authority pursuant to paragraph (A) of this resolution shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

(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 bye-laws of the Company or the Companies Act 1981 of Bermuda or any other applicable law to be held; and
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

5. As special business, to consider and, if thought fit, pass, with or without amendments, the following resolution as an ordinary resolution of the Company:

“THAT

- (A) subject to paragraph (C) of this resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all powers of the Company to allot, issue and deal with additional shares of HK\$0.10 each in the capital of the Company and to make or grant offers, agreements, options which might require the exercise of such powers be and is hereby, generally and unconditionally approved;
- (B) the approval in paragraph (A) of this resolution shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements, options which might require the exercise of such power after the end of the Relevant Period;
- (C) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and to be issued by the directors of the Company pursuant to the approval in paragraph (A) of this resolution, otherwise than pursuant to (i) a Right Issue (as hereafter defined), or (ii) an issue of shares under any option scheme or similar arrangement for the time being adopted by the Company and/or its subsidiaries for the grant or issue of shares or rights to acquire shares in the capital of the Company, or (iii) any scrip dividend scheme or similar arrangement 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, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution and the said approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

(D) 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 bye-laws of the Company or the Companies Act 1981 of Bermuda or any other applicable law to be held; and
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Right Issue” means an offer of shares or issue of options to subscribe for shares open for a period fixed by the directors of the Company to holders of shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (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 law of, or the requirements of any recognised regulatory body or any stock exchange, in any territory applicable to the Company).”

6. As special business, to consider and, if thought fit, pass, with or without amendments, the following resolution as an ordinary resolution of the Company:

“**THAT** the general mandate granted to the directors of the Company pursuant to resolution numbered 5 above and for the time being in force to exercise the powers of the Company to allot shares and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby extended by the total nominal amount of shares in the capital of the Company repurchased by the Company pursuant to the exercise by the directors of the Company of the powers of the Company to purchase such shares since the granting of such general mandate referred to in the above resolution numbered 5, provided that such amount shall not exceed 10% of the total nominal amount of the share capital of the Company in issue on the date of passing of this resolution.”

NOTICE OF ANNUAL GENERAL MEETING

7. As special business, to consider and, if thought fit, pass, with or without amendments, the following resolution as a special resolution of the Company:

“**THAT** the Bye-laws of the Company be amended in the following manner:

- (A) By deleting the existing Bye-law 68 in its entirety and substituting therefor the following:–

“68 If a poll is duly demanded, the results of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman of the meeting shall announce the results of the poll in accordance with the requirements of the Designated Stock Exchange.”

- (B) By deleting the existing Bye-law 86(2) in its entirety and substituting therefor the following:–

“86 (2) The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board, or, subject to authorisation by the Members in a general meeting, as an addition to the existing Board but so that the number of Directors so appointed shall not exceed any maximum number determined from time to time by the Members in a general meeting. Any Director appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the first general meeting of the Company after his or her appointment and shall be eligible for re-election at that meeting. In case the aforesaid Director retires at an annual general meeting, he or she shall not be taken into account in determining the number of Directors to retire at that meeting.”

- (C) By deleting the existing Bye-law 87(1) in its entirety and substituting therefor the following:–

“87 (1) Unless and until the Company in a general meeting shall otherwise determine, 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 but not less than one-third shall retire from office by rotation, provided that every Director (including those appointed for a specific term or holding office as chairman of the Board or managing director) shall be subject to retirement by rotation at least once every three years or within such other period as the Designated Stock Exchange may from time to time prescribe or within such other period as the laws of such jurisdiction applicable to the Company.”

NOTICE OF ANNUAL GENERAL MEETING

(D) To add at the end of Bye-law 122 the following:–

“Where a substantial shareholder or a Director has a conflict of interest in a matter to be considered by the board which the board has determined to be material, the matter should not be dealt with by way of circulation of board resolutions pursuant to this Bye-law but a board meeting should be held with the presence of disinterested independent non-executive Directors.””

By Order of the Board
LAU King Pong
Company Secretary

Hong Kong, 28 July 2005

Notes:

1. The register of members of the Company will be closed from Thursday, 18 August 2005 to Thursday, 25 August 2005 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to qualify for attending the annual general meeting, all transfers of shares of the Company accompanied by the relevant share certificates and the appropriate transfer forms must be lodged with the Company’s share registrar in Hong Kong, Tengis Limited, at Ground Floor, BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong for registration not later than 4:00 p.m. on Wednesday, 17 August 2005.
2. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint a proxy or proxies to attend and, in the event of a poll, vote in his stead. A proxy need not be a member of the Company. In order to be valid, the form of proxy must be deposited at the principal place of business of the Company at 13th Floor, Universal Industrial Centre, 19-21 Shan Mei Street, Fo Tan, Shatin, New Territories, Hong Kong together with a power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority, not less than 48 hours before the time for holding of the meeting or adjourned meeting.