
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold all your shares in **MING PAO ENTERPRISE CORPORATION LIMITED**, you should at once hand this document with the accompanying proxy form to the purchaser or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser.

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MING PAO ENTERPRISE CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 685)

**PROPOSALS INVOLVING
GENERAL MANDATES TO REPURCHASE SHARES
AND TO ISSUE NEW SHARES OF THE COMPANY,
AMENDMENTS TO EXISTING BYE-LAWS OF THE COMPANY,
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting of Ming Pao Enterprise Corporation Limited to be held at Marina Room II, 2nd Floor, The Excelsior Hong Kong, 281 Gloucester Road, Causeway Bay, Hong Kong on Wednesday, 8th September 2004, at 11:00 a.m. is set out on pages 10 to 17 of this document. Whether or not you intend to attend the meeting, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the head office and principal place of business of the Company at 15th Floor, Block A, Ming Pao Industrial Centre, 18 Ka Yip Street, Chai Wan, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the meeting or any adjournment thereof.

Hong Kong, 30th July 2004

DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at Marina Room II, 2nd Floor, The Excelsior Hong Kong, 281 Gloucester Road, Causeway Bay, Hong Kong on Wednesday, 8th September 2004, at 11:00 a.m., notice of which is set out on pages 10 to 17 of this document
“Bye-Laws”	the bye-laws of the Company as amended from time to time
“Companies Act”	the Companies Act 1981 of Bermuda, as amended
“Company”	Ming Pao Enterprise Corporation Limited, an exempted company incorporated in Bermuda with limited liability, Shares of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong Special Administrative Region of The People’s Republic of China
“Latest Practicable Date”	27th July 2004, being the latest practicable date prior to the printing of this document for ascertaining certain information referred to in this document
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Repurchase Proposal”	the proposal to give a general mandate to the Directors to exercise the powers of the Company to repurchase during the period as set out in the Repurchase Resolution Shares up to a maximum of 10% of the issued share capital of the Company as at the date of passing the Repurchase Resolution
“Repurchase Resolution”	the proposed ordinary resolution as referred to in resolution no. 5 of the notice of the Annual General Meeting
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	registered holder(s) of Shares
“Share Repurchase Rules”	the relevant rules set out in the Listing Rules to regulate the repurchase by companies with primary listing on the Stock Exchange of their own securities
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers

LETTER FROM THE CHAIRMAN



MING PAO ENTERPRISE CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 685)

Executive Directors:

Tan Sri Datuk TIONG Hiew King (*Chairman*)

Mr TIONG Kiu King

Dr TIONG Ik King

Mr TIONG Kiew Chiong

Registered Office:

Canon's Court

22 Victoria Street

Hamilton HM12

Bermuda

Independent Non-executive Directors:

Mr TANG Ying Yu

Mr David YU Hon To

Head Office and Principal

Place of Business:

15th Floor, Block A

Ming Pao Industrial Centre

18 Ka Yip Street

Chai Wan

Hong Kong

Hong Kong, 30th July 2004

To shareholders,

Dear Sir or Madam,

**PROPOSALS INVOLVING
GENERAL MANDATES TO REPURCHASE SHARES
AND TO ISSUE NEW SHARES OF THE COMPANY,
AMENDMENTS TO EXISTING BYE-LAWS OF THE COMPANY,
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

GENERAL MANDATE TO REPURCHASE SHARES

At the special general meeting of the Company held on 5th September 2003, a general mandate was given by the Company to the Directors to exercise the powers of the Company to repurchase Shares. Such mandate will lapse at the conclusion of the Annual General Meeting. The Directors propose to seek your approval of the Repurchase Resolution to be proposed at the Annual General Meeting. An explanatory statement as required under the Share Repurchase Rules to provide the requisite information of the Repurchase Proposal is set out in Appendix I hereto.

GENERAL MANDATE TO ISSUE SHARES

Furthermore, at the Annual General Meeting two ordinary resolutions will be proposed which aim to grant to the Directors (i) a general mandate to allot, issue and deal with Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of

LETTER FROM THE CHAIRMAN

passing the resolution; and (ii) an extension to the general mandate so granted to the Directors by the addition of any Shares representing the aggregate nominal amount of the Shares repurchased by the Company after the granting of the general mandate to repurchase up to 10% of the issued share capital of the Company as at the date of passing the Repurchase Resolution.

AMENDMENTS TO EXISTING BYE-LAWS OF THE COMPANY

The latest amendments to the Listing Rules relating to corporate governance issues came into effect on 31st March 2004 subject to certain transitional arrangements. These amendments include, amongst others, amendments to Appendix 3 of the Listing Rules governing the constitutional documents of a listed issuer.

As a result of the amendments to the Listing Rules, amongst others, (1) where the Company has actual knowledge, any Shareholder who is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such Shareholder in contravention of such requirement or restriction shall not be counted; (2) a minimum of 7 days' period is required for lodgment by any Shareholder of the notice to nominate a Director other than a retiring Director and such notice shall commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than 7 days prior to the date of such general meeting; and (3) a Director shall abstain from voting at the board meeting on any matter in which not only he but also any of his associate(s) has a material interest and the Director shall not be counted towards the quorum of the relevant board meeting.

Accordingly, the Directors propose to the Shareholders to approve a special resolution at the Annual General Meeting to amend the relevant provisions of the Bye-Laws in order to bring the Bye-Laws in line with the amended provisions of Appendix 3 of the Listing Rules.

The full text of the proposed changes to the Bye-Laws is set out in item no. 8 contained in the notice of Annual General Meeting. A brief background to the proposed amendments to the Bye-Laws is set out as follows:-

- | | |
|----------------------|--|
| (a) Bye-Law 1 | To amend the definition of "associates" and "Clearing House" for the purposes of clarification. |
| (b) Bye-Law 15 | To stipulate the time limit for issuance of share certificates as prescribed by the Designated Stock Exchange. |
| (c) Bye-Law 26 | To clarify that the notice of call may be given by any means and in such manner as may be accepted by the Designated Stock Exchange. |
| (d) Bye-Laws 36 & 37 | To clarify that all transfers of Shares may be effected by an instrument of transfer in the usual or common form or in such other form as prescribed by the Designated Stock Exchange and to permit the Company to accept machine imprinted signatures on the instrument of transfer if the transferor or transferee is a clearing house or its nominee. |
| (e) Bye-Law 70 | To reflect the requirement for voting by poll under the Listing Rules. |

LETTER FROM THE CHAIRMAN

- (f) Bye-Law 80 To reflect the restriction on voting by Shareholders whom the Company has knowledge are restricted from voting, as required by the amended Appendix 3 of the Listing Rules.
- (g) Bye-Law 87(B) To clarify that the proxy or corporate representative appointed by the Clearing House (or its nominee) could exercise the same rights and powers on behalf of the Clearing House (or its nominee) as it could exercise as if such person was the registered holder of the Shares held by the Clearing House (or its nominee) in respect of the Shares specified in the instrument of proxy or authorisation including the right to vote individually on a show of hands.
- (h) Bye-Law 98 To be consistent with the provisions of the amended Appendix 3 of the Listing Rules so that subject to certain exceptions, a Director shall abstain from voting at the board meeting on any contract, arrangement or proposal in which he or any of his associates has a material interest and such Director shall not be counted towards the quorum of the relevant board meeting; and to clarify the conditions under which the Director may contract with the Company.
- (i) Bye-Law 103 To be consistent with the amended Appendix 3 of the Listing Rules which stipulates the minimum seven-day period for lodgment by a Shareholder of the notice to nominate a Director other than a retiring Director and by the person of notice of his willingness to be elected and the lodgment of such notices shall commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven days before the date of such general meeting.

RE-ELECTION OF THE RETIRING DIRECTORS

Pursuant to Bye-Laws 99(A) and 182(iv) of the Company, Messrs. TIONG Kiew Chiong and David YU Hon To will be retiring from their respective offices at the Annual General Meeting and are eligible for re-election. Details of the Directors proposed to be re-elected at the Annual General Meeting are set out in Appendix II to this document.

RIGHT TO DEMAND A POLL

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

- (i) by the chairman of the meeting; or
- (ii) by at least three Shareholders present in person or by a duly authorised corporate representative or by proxy for the time being entitled to vote at the meeting; or

LETTER FROM THE CHAIRMAN

- (iii) by a Shareholder or Shareholders present in person or by a duly authorised corporate 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
- (iv) by a Shareholder or Shareholders present in person or by a duly authorised corporate representative or by proxy and holding Shares 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.

On a show of hands, every Shareholder present in person or by a duly authorised corporate representative or by proxy shall have one vote. On a poll, every Shareholder present in person or by a duly authorised corporate representative or by proxy shall have one vote for every fully paid up Share of which he is the holder. Notwithstanding anything contained in the Bye-Laws, where more than one proxy is appointed by a Shareholder which is a clearing house (or its nominee), each such proxy shall have one vote on a show of hands. Pursuant to the existing Bye-Law 76, a Shareholder entitled to more than one vote on a poll need not use all his votes or cast all the votes he uses the same way.

ANNUAL GENERAL MEETING

On pages 10 to 17 of this document, you will find a notice convening the Annual General Meeting at which the following businesses are to be transacted:-

1. To receive and consider the audited financial statements, the reports of directors and auditors for the year ended 31st March 2004;
2. To declare a final dividend and a special dividend;
3. To re-elect directors and to authorise the board of directors to fix their remuneration; and
4. To re-appoint auditors and to authorise the board of directors to fix their remuneration.

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

1. an ordinary resolution to grant to the Directors a general mandate to exercise all powers of the Company to repurchase Shares on the Stock Exchange representing up to 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the Repurchase Resolution;
2. an ordinary resolution to grant to the Directors a general mandate to authorise the Directors to allot, issue and deal with Shares with an aggregate nominal value not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing such resolution;
3. an ordinary resolution to extend the general mandate which will be granted to the Directors to allot, issue and deal with additional Shares by adding to it the number of Shares repurchased under the Repurchase Proposal after the granting of the general mandate; and
4. a special resolution to amend the existing Bye-Laws of the Company.

LETTER FROM THE CHAIRMAN

ACTION TO BE TAKEN

A proxy form for use at the Annual General Meeting is enclosed herein. Whether or not you intend to attend the Annual General Meeting, you are requested to complete the proxy form and return it to the head office and principal place of business of the Company at 15th Floor, Block A, Ming Pao Industrial Centre, 18 Ka Yip Street, Chai Wan, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the Annual General Meeting or any adjournment thereof. Completion and return of a proxy form will not prevent you from attending and voting at the Annual General Meeting if you so wish.

RECOMMENDATION

The Directors are pleased to recommend the re-election of the retiring Directors at the Annual General Meeting. The Directors consider that all the above-mentioned resolutions to be proposed at the Annual General Meeting are in the best interests of the Company and its shareholders. Accordingly, the Directors recommend that all shareholders should vote in favour of the resolutions set out in the notice of the Annual General Meeting.

By Order of the Board
Tan Sri Datuk TIONG Hiew King
Chairman

This appendix serves as an explanatory statement, as required by the Share Repurchase Rules, to provide requisite information to you for your consideration of the proposal to permit the repurchase of Shares up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the Repurchase Resolution.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 397,355,000 Shares.

Subject to the passing of the Repurchase Resolution and on the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, the Company would be allowed under the Repurchase Resolution to repurchase up to a maximum of 39,735,500 Shares representing not more than 10% of the aggregate nominal amount of the issued share capital of the Company as at the Latest Practicable Date.

2. REASONS FOR REPURCHASE

The Directors believe that the Repurchase Proposal is in the best interests of the Company and its shareholders. Such a repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets value per share and/or earnings per share of the Company and will only be made when the Directors believe that such a repurchase will benefit the Company and its shareholders.

3. FUNDING OF REPURCHASE

In repurchasing Shares, the Company may only apply funds entirely from the Company's available cashflow or working capital facilities which will be legally available for such purpose in accordance with its memorandum of association and Bye-Laws and the Companies Act.

There might be an 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 for the year ended 31st March 2004 in the event that the power to repurchase Shares pursuant to the Repurchase Proposal were to be exercised in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the power to repurchase Shares pursuant to the Repurchase Proposal to such extent as would, in the circumstances, have a material adverse effect on the working capital of the Company or the gearing levels 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 were traded on the Stock Exchange during each of the previous twelve months before the Latest Practicable Date were as follows:

	Highest Price	Lowest Price
	<i>HK\$</i>	<i>HK\$</i>
2003		
July	1.350	1.280
August	1.350	1.200
September	1.800	1.350
October	1.800	1.550
November	2.300	1.600
December	2.200	1.900
2004		
January	2.550	1.910
February	2.450	2.050
March	3.100	1.700
April	1.750	1.700
May	1.780	1.300
June	1.800	1.700
July (up to the Latest Practicable Date)	1.700	1.300

5. UNDERTAKING

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 Proposal and in accordance with the Listing Rules and the applicable laws of Bermuda.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their associates, have any present intention to sell any Shares to the Company or its subsidiaries under the Repurchase Proposal if such is approved by the Shareholders.

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

6. TAKEOVERS CODE

If on the exercise of the power to repurchase Shares pursuant to the Repurchase Proposal, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the 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 Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, (i) Conch Company Limited, which is controlled by Tan Sri Datuk TIONG Hiew King, Dr TIONG Ik King, directors of the Company, and their associates, is beneficially interested in approximately 63.54% of the issued share capital of the Company; and (ii) Dr Louis CHA is beneficially interested in approximately 10.18% of the issued share capital of the Company. Dr Louis CHA is not related to any directors, senior management or controlling shareholders of the Company. Based on such shareholdings and in the event that the Directors exercised in full the power to repurchase Shares pursuant to the general mandate, the shareholdings of Conch Company Limited and Dr Louis CHA in the Company will be increased to approximately 70.60% and 11.31% of the issued share capital of the Company respectively. The Directors are not aware of any consequences which may arise under Rule 26 of the Takeovers Code as a result of any repurchases made under the Repurchase Proposal. In addition, the Company will not repurchase Shares to such extent as to result in the amount of Shares held by the public being reduced to less than 25%.

7. SHARE REPURCHASES MADE BY THE COMPANY

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

8. GENERAL

The English text of this document shall prevail over the Chinese text.

APPENDIX II DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

The following are the particulars of the Directors proposed to be re-elected at the Annual General Meeting in accordance with the Bye-Laws:-

1. Mr TIONG Kiew Chiong, aged 44, joined the Company as an executive director on 2nd May 1998. Mr TIONG graduated with a Bachelor of Business Administration Degree from York University, Toronto, Canada in 1982. He is a distant relative of Tan Sri Datuk TIONG Hiew King and Dr Tiong Ik King, the substantial shareholders of the Company. Mr TIONG has not held any directorship in other listed public companies in the past three years.

Save as disclosed herein, Mr TIONG does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr TIONG has personal interest in 1,200,000 Shares and in share options to subscribe for 600,000 Shares within the meaning of Part XV of the Securities and Futures Ordinance. Mr TIONG entered into a service contract with the Company in May 1998. The service contract shall continue unless and until terminated by either the Company or Mr TIONG giving to the other not less than 3 months' prior notice in writing to terminate the service contract. For the year ended 31st March 2004, the annual remuneration package, including bonus, for Mr TIONG under his service contract amounted to approximately HK\$1.9 million which was determined based on an arm's length negotiation between the parties.

2. Mr David YU Hon To, aged 56, was appointed as an independent non-executive director of the Company on 30th March 1999. Mr YU is a fellow of the Institute of Chartered Accountants in England and Wales and an associate of the Hong Kong Society of Accountants. He was a partner of an international accounting firm with extensive experience in corporate finance. Mr YU is a founder and director of Management Capital Limited, which specialises in direct investment and financial advisory activities, and he is also currently on the board of the following public companies listed on the Stock Exchange: Great China Holdings Limited, Guangzhou Shipyard International Company Limited, Playmates Holdings Limited, BALtrans Holdings Limited, Shun Cheong Holdings Limited and Shimao China Holdings Limited.

Save as disclosed herein, Mr YU does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr YU does not have any interest in shares within the meaning of Part XV of the Securities and Futures Ordinance. There is no service contract between the Company and Mr YU. Mr YU is not appointed for a specific term except that if re-elected at the Annual General Meeting, Mr YU will hold office until he retires by rotation in accordance with Bye-Laws 99(A) and 182(iv) of the existing Bye-Laws. There is no agreement on the amount of director's fee payable to Mr YU. The director's fee of Mr YU as independent non-executive director is to be determined by the Directors and to be authorised by the shareholders of the Company at the Annual General Meeting. For the year ended 31st March 2004, the annual director's fee of Mr YU was HK\$120,000.

NOTICE OF ANNUAL GENERAL MEETING



MING PAO ENTERPRISE CORPORATION LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 685)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at Marina Room II, 2nd Floor, The Excelsior Hong Kong, 281 Gloucester Road, Causeway Bay, Hong Kong on Wednesday, 8th September 2004 at 11:00 a.m. for the following purposes:-

1. To receive and consider the audited financial statements, the reports of directors and auditors for the year ended 31st March 2004;
2. To declare a final dividend and a special dividend;
3. To re-elect directors and to authorise the board of directors to fix their remuneration; and
4. To re-appoint auditors and to authorise the board of directors to fix their remuneration.

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

ORDINARY RESOLUTION

5. “THAT:
 - (a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of HK\$0.10 each in the capital of the Company on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) or on any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of 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 which may be repurchased pursuant to the approval in paragraph (a) above 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, and the said approval shall be limited accordingly; and
 - (c) for the purposes of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the Bye-Laws of the Company to be held; or

NOTICE OF ANNUAL GENERAL MEETING

- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the Shareholders of the Company in general meeting.”

ORDINARY RESOLUTION

6. “**THAT:**
- (a) subject to paragraph (c) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.10 each in the capital of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
 - (b) the approval in paragraph (a) above shall authorise the Directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power after the end of the Relevant Period;
 - (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) an issue of shares 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 of the Company; (iii) an issue of shares as scrip dividends pursuant to the Bye-Laws of the Company from time to time; or (iv) an issue of shares under any option scheme or similar arrangement for the grant or issue of shares or rights to acquire shares of the Company, shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution, and the said approval shall be limited accordingly; and
 - (d) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the 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 any applicable laws or the Bye-Laws of the Company to be held; or
 - (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the Shareholders of the Company in general meeting; and

NOTICE OF ANNUAL GENERAL MEETING

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company to the holders of shares of the Company on the register on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions 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 any recognised regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company).”

ORDINARY RESOLUTION

7. **“THAT** subject to the passing of the resolutions nos.5 and 6 set out in the notice convening the meeting, the general mandate granted to the Directors of the Company to allot, issue and deal with additional shares pursuant to resolution no.6 set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of shares in the capital of the Company repurchased by the Company under the authority granted pursuant to resolution no.5 set out in the notice convening this meeting, provided that such amount of shares so repurchased shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the said resolution.”

As special business to consider and, if thought fit, pass the following resolution as a special resolution:-

SPECIAL RESOLUTION

8. **“THAT** the existing Bye-Laws of the Company be and are hereby amended in the following manner :-
- (a) Bye-Law 1
- (i) by deleting the definition of “associates” in the existing Bye-Law 1 in its entirety and substituting therefor the following definition:-
- ““associates” shall have the meaning attributed to it in the rules of the Designated Stock Exchange.”;
- (ii) by deleting the definition of “Clearing House” in the existing Bye-Law 1 in its entirety and substituting therefor the following definition:-
- ““Clearing House” shall mean a clearing house or authorised share depository recognised by the laws of the jurisdiction in which the shares of the Company are listed or quoted on a stock exchange in such jurisdiction.”;
- (b) Bye-Law 15
- by deleting the words “within two months” in the third line of the existing Bye-Law 15 and substituting therefor the words “within such period as may be prescribed by the Companies Act or the rules of the Designated Stock Exchange”;

NOTICE OF ANNUAL GENERAL MEETING

(c) Bye-Law 26

by inserting the words “or by any means and in such manner as may be accepted by the Designated Stock Exchange” at the end of existing Bye-Law 26;

(d) Bye-Law 36

by deleting existing Bye-Law 36 in its entirety and substituting therefor the following new Bye-Law and its marginal note:-

“36. Subject to the Companies Act, all transfers of shares may be effected by an instrument of transfer in the usual or common form or in such other form as prescribed by the Designated Stock Exchange or in such form as the Board may accept and may be under hand or, if the transferor or transferee is a Clearing House or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the Board may approve from time to time.”;

Form of transfer

(e) Bye-Law 37

by deleting the second sentence therein;

(f) Bye-Law 70

(i) by adding the words “unless a poll is taken as may from time to time be required under the rules of the Designated Stock Exchange or” immediately before the words “unless a poll is” in the third line of the first paragraph of existing Bye-Law 70;

(ii) by adding the words “a poll is taken as may from time to time be required under the rules of the Designated Stock Exchange or unless” immediately after the word “Unless” at the beginning of the second paragraph of existing Bye-Law 70;

(g) Bye-Law 80

by adding the following new paragraph (C) and its marginal note to the end of the existing Bye-Law 80:-

“(C) Where the Company has knowledge that any member is, under the applicable Statutes and/or 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, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.”;

Voting in
contravention to
Listing Rules

NOTICE OF ANNUAL GENERAL MEETING

(h) Bye-Law 87(B)

by deleting the existing Bye-Law 87(B) in its entirety and substituting therefor the following new Bye-Law and its marginal note:-

“87. (B) If a Clearing House (or its nominee), and in each case, being a corporation is a member of the Company, it may appoint or authorise such person or persons as it thinks fit to act as its proxy or proxies or as its corporate representative or representatives to the extent permitted by the Companies Act at any meeting of the Company or at any meeting of any class of members of the Company provided that, if more than one proxy or corporate representative is so appointed or authorised, the instrument of proxy or authorisation shall specify the number and class of shares in respect of which each such proxy or corporate representative is so appointed or authorised. A person so appointed or authorised under the provisions of this Bye-Law shall be deemed to have been duly appointed or authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the Clearing House (or its nominee) which he represents as that Clearing House (or its nominee) could exercise as if it were an individual member of the Company. The number of persons a Clearing House (or its nominee) may appoint to act as its corporate representative or representatives shall not exceed the number of shares held by that Clearing House (or its nominee), being shares in respect of which there is an entitlement to attend and vote at the relevant general meeting.”;

Clearing House acting
by representatives or
proxies at meetings

(i) Bye-Law 98

by deleting the existing paragraphs (H), (I), (J), (K) of the existing Bye-Law 98 in their entirety and substituting therefor the following new paragraphs:-

“(H) A Director shall not vote on any Board resolution approving any contract or arrangement or any other proposal in which he or any of his associate(s) has a material interest nor shall he be counted in the quorum present at the meeting, but this prohibition shall not apply to any of the following matters:-

- (i) the giving of any security or indemnity either:-
 - (a) to the Director or his associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries; or
 - (b) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;

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- (ii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (iii) any proposal concerning any other company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the Director or his associate(s) is/are beneficially interested in shares of that company, provided that the Director and any of his associate(s) are not in aggregate beneficially interested in 5% or more of the issued shares of any class of such company (or of any third company through which his interest or that of his associate(s) is derived) or of the voting rights;
- (iv) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including: -
 - (a) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which the Director or his associate(s) may benefit; or
 - (b) the adoption, modification or operation of a pension fund or retirement, death or disability benefit scheme which relates both to the Directors, his associate(s) and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or his associate(s) as such any privilege or advantage not generally accorded to the class of persons to whom such scheme or fund relates; and
- (v) any contract or arrangement in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.

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

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(J) Where a company in which a Director and/or his associate(s) hold 5% 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.

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

(j) Bye-Law 103

by deleting the existing Bye-Law 103 in its entirety and substituting therefor the following new Bye-Law and its marginal note:-

“103. No person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice signed by a member (other than the person to be proposed) duly qualified to attend and vote at the general meeting for which such notice is given of his intention to propose such person for election as a Director and also a notice signed by the person to be proposed of his willingness to be elected shall have been given to the Company or lodged at the Head Office of the Company or at the Registration Office, provided that the minimum length of the period, during which such notices are given, shall be at least seven (7) days. The period for lodgment of such notices will commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.”;

Notices to be given
which person proposed
for election

and **THAT** the Directors of the Company be and hereby authorised to do all such acts, deeds and things as they shall, in their absolute discretion, deem fit in order to effect and complete any of the foregoing.”

By Order of the Board
LAW Yuk Kuen
Secretary

Hong Kong, 30th July 2004

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Notes:

1. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
2. To be valid, the proxy form, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be lodged with the head office and principal place of business of the Company at 15th Floor, Block A, Ming Pao Industrial Centre, 18 Ka Yip Street, Chai Wan, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
3. The register of members will be closed from Thursday, 2nd September 2004, to Wednesday, 8th September 2004, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend and special dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar and transfer office, Tengis Limited, at G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 1st September 2004.
4. With regard to item no.3 in this notice, the board of directors of the Company proposes that the retiring Directors, namely Mr TIONG Kiew Chiong and Mr David YU Hon To be re-elected as Directors of the Company. Details of the said retiring Directors are set out in Appendix II to this document to be sent to the Shareholders on 30th July 2004.