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## THIS CIRCULAR REQUIRES YOUR IMMEDIATE ATTENTION

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The circular, for which the directors of Top Form International Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to Top Form International Limited. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: the information contained in this circular is accurate and complete in all material respects and not misleading; there are no other matters the omission of which would make any statement in this circular misleading; and all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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

**If you have sold** all your shares in Top Form International Limited, you should at once hand this circular to the purchaser or to the bank, licensed securities dealer or other agent through whom the sale was effected for transmission to the purchaser.

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## TOP FORM INTERNATIONAL LIMITED

黛麗斯國際有限公司\*

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 333)**

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

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Notice of convening the Annual General Meeting of the Company to be held at Aberdeen (Level 3), JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on 28th October, 2005 at 10:30 a.m. is set out on pages 13-20 of this circular. The action to be taken by Shareholders is set out on page 5 of this circular. If you are not able to attend the meeting, please complete and deposit the enclosed form of proxy at the Company's Share Registrar in Hong Kong, Secretaries Limited at G/F., 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 said meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting should you so wish.

\* for identification purposes only

30th September, 2005

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## DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at Aberdeen (Level 3), JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Friday, 28th October 2005 at 10:30 a.m., to consider and, if appropriate, to approve the Ordinary Resolutions and the Special Resolution or any adjournment thereof;
“Board”	the board of Directors;
“Bye-Laws”	the bye-laws of the Company;
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers;
“Company”	Top Form International Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange;
“Directors”	directors of the Company;
“Group”	the Company and its subsidiaries from time to time;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Issue Mandate”	a general mandate proposed to be granted to the Directors at the Annual General Meeting to allot, issue and deal with Shares of not exceeding 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution granting such mandate;
“Latest Practicable Date”	26th September 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;

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## DEFINITIONS

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“Memorandum of Association”	the memorandum of association of the Company;
“Ordinary Resolutions”	the ordinary resolutions to be proposed and passed at the Annual General Meeting for the matters as set out in the notice of the Annual General Meeting;
“Repurchase Mandate”	a general mandate proposed to be granted to the Directors at the Annual General Meeting to repurchase Shares not exceeding 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution granting such mandate;
“SFO”	Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong);
“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company;
“Shareholder(s)”	holder(s) of Share(s);
“Special Resolution”	the special resolution to be proposed and passed at the Annual General Meeting for the matters as set out in the notice for the Annual General Meeting;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“HK\$” and “cents”	Hong Kong dollars and cents, the lawful currency in Hong Kong.

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## LETTER FROM THE BOARD

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### TOP FORM INTERNATIONAL LIMITED

黛麗斯國際有限公司\*

(Incorporated in Bermuda with limited liability)

(Stock Code: 333)

*Executive Directors:*

Fung Wai Yiu (*Chairman*)  
Wong Chung Chong, Eddie  
(*Group Managing Director*)  
Leung Tat Yan

*Non-executive Directors:*

Lucas A.M. Laureys  
Leung Churk Yin, Jeanny  
Herman Van de Velde

*Independent Non-executive Directors:*

Marvin Bienenfeld  
Chow Yu Chun, Alexander  
Lam Ka Chung, William

*Principal office:*

Room 1813, 18th Floor  
Tower I, Grand Century Place  
193 Prince Edward Road West  
Mongkok, Kowloon  
Hong Kong

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

30th September, 2005

*To the shareholders of the Company*

Dear Sir or Madam,

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

#### INTRODUCTION

The purpose of this circular is to seek your approval of proposals to grant general mandates to the Directors to allot, issue and deal with the Shares and to exercise the powers of the Company to repurchase its own Shares in accordance with the relevant rules set out in the Listing Rules and the Takeovers Code, to amend the Bye-laws and to re-elect retiring Directors, as well as to provide you with information in connection with such proposals. Your approval will be sought at the Annual General Meeting. At the Annual General Meeting, no Shareholder will be required to abstain from voting.

\* for identification purposes only

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## LETTER FROM THE BOARD

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The purpose of this circular is to provide you with information regarding, inter alia, the proposed general mandates to allot, issue and deal with Shares and to repurchase Shares, the proposed amendments to the Company's Bye-laws and the re-election of Directors.

### **GENERAL MANDATE TO REPURCHASE SHARES**

Notice of the Annual General Meeting is set out in appendix III to this circular. At the Annual General Meeting, and as part of the special business of that meeting, an ordinary resolution will be proposed to grant a general mandate to the Directors to exercise the powers of the Company to purchase Shares up to a maximum of 10 per cent, of the issued share capital of the Company as at the date of the resolution.

The Repurchase Mandate would continue in force until the next annual general meeting of the Company or the expiration of the period within which the next annual general meeting of the Company is required by law or the Bye-Laws of the Company to be held or until the Repurchase Mandate is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting, whichever is the earliest.

Under the Listing Rules, the Company is required to give to Shareholders all information which is reasonably necessary to enable shareholders to make an informed decision as to whether to vote for or against the resolution to renew the grant to the Directors of a Repurchase Mandate. This circular is prepared for such purpose. The explanatory statement required by the Listing Rules to be included in this circular is set out in the appendix I to this circular.

### **GENERAL MANDATE TO ISSUE SHARES**

At the Annual General Meeting, an ordinary resolution will also be proposed for the Shareholders to consider and, if thought fit, grant a general mandate to the Directors to exercise the power of the Company to allot, issue and deal with the Shares up to a maximum of 10 per cent. of the issued share capital of the Company as at the date of the resolution.

In addition, an ordinary resolution will be proposed at the Annual General Meeting adding any Shares repurchased under the Repurchase Mandate to the Issue Mandate. The Repurchase Mandate and the Issue Mandate would continue in force until the conclusion of the next annual general meeting of the Company unless it is renewed at such meeting or until revoked or varied by ordinary resolutions of the Shareholders in a general meeting held prior to the next annual general meeting of the Company.

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## **LETTER FROM THE BOARD**

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

### **AMENDMENTS TO THE BYE-LAWS**

To enhance good corporate governance practices and to bring the constitution of the Company up to date with the Code on Corporate Governance Practices of the Listing Rules which came into effect on 1st January, 2005, a special resolution will be proposed to amend the Bye-laws of the Company including, inter alia, the requirement for every director to retire by rotation at least once every three years.

The proposed amendments to the Bye-laws are set out in the notice of the Annual General Meeting, which is set out in Appendix III of this circular.

### **RE-ELECTION OF RETIRING DIRECTORS**

In relation to Resolution 3 as set out in the notice of the Annual General Meeting, Mr. Herman Van de Velde and Mr. Lucas A. M. Laureys will retire from office as Directors in accordance with Bye-law 87(2) of the Bye-laws and Mr. Leung Tat Yan will retire from office as a Director in accordance with Bye-law 86(2) of the Bye-laws at the Annual General Meeting and being eligible, will offer themselves for re-election as Directors.

Particulars of the above Directors, which are required to be disclosed pursuant to the Listing Rules, are set out in Appendix II to this circular.

### **NOTICE OF ANNUAL GENERAL MEETING AND ACTION TO BE TAKEN**

Notice of the Annual General Meeting is set out in Appendix III to this circular. A proxy form for appointing proxy is despatched with this circular and published on the website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)). If you do not intend to attend the Annual General Meeting, you are requested to complete the proxy form and return it to the Company's Branch Registrar in Hong Kong, Secretaries Limited, at 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 the holding of the Annual General Meeting or the adjourned meeting. Completion and return of a proxy form will not preclude you from attending and voting at the meeting and at any adjournment thereof if you so wish.

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## LETTER FROM THE BOARD

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### PROCEDURE FOR DEMANDING A POLL

Pursuant to Bye-law 66 of the Bye-laws, 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 result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded by:

- (a) the Chairman of the meeting; or
- (b) at least three members present in person or by proxy and entitled to vote; or
- (c) any member or members present in person or by proxy and representing in the aggregate not less than one-tenth of the total voting rights of all members having the right to attend and vote at the meeting; or
- (d) any member or members present in person or by proxy and holding shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

### RECOMMENDATION

The Directors believe that the proposed granting of the general mandates to the Directors to repurchase Shares and to issue Shares, amendments to the Bye-laws and re-election of retiring Directors are in the best interests of the Company and Shareholders as a whole. The Directors recommend that all Shareholders should vote in favour of the relevant resolutions as set out in the notice of the Annual General Meeting.

### GENERAL INFORMATION

Your attention is also drawn to the additional information set out in the Appendices to this circular.

Yours faithfully,  
On behalf of the Board  
**Fung Wai Yiu**  
*Chairman*



*This appendix serves as an explanatory statement, as required by the Listing Rules, to provide the requisite information to you for your consideration of the Repurchase Mandate.*

## **1. LISTING RULES RELATING TO THE REPURCHASE OF SHARES**

The Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their shares (which must be fully paid up) on the Stock Exchange subject to certain restrictions, the more important of which are summarised below. The Company is empowered by its memorandum of association and Bye-laws to repurchase its own shares.

### **Source of funds**

Repurchase must be financed out of funds which are legally available for the purpose and in accordance with the Memorandum of Association and the Bye-laws of the Company and the applicable laws of Bermuda. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Under the Companies Act 1981 of Bermuda, a company may repurchase its shares out of the capital paid up thereon, or out of the funds of the Company which would otherwise be available for dividend or distribution or out of the proceeds of a fresh issue of shares made for the purpose. Any amount of premium payable on a repurchase over the par value of the shares may be effected out of funds of the Company which would otherwise be available for dividend or distribution or out of the Company's share premium account before the shares are repurchased.

As at 26th September, being the latest practicable date prior to the printing of this circular and to the best knowledge of the Directors, no connected person of the Company has notified the Company that he/she has a present intention to sell any Shares to the Company or has any such connected person undertaken not to sell any of the Shares held by him/her to the Company in the event that the Repurchase Mandate is passed.

## **2. SHARE CAPITAL**

As at the Latest Practicable Date, the issued and fully paid up share capital of the Company comprised 1,077,514,125 Shares of HK\$0.10 each.

Subject to the passing of the Repurchase Mandate and on the basis that no Shares are issued or repurchased by the Company prior to the Annual General Meeting, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 107,751,412 Shares.

**3. REASONS FOR THE REPURCHASE**

The Directors believe that the proposed Repurchase Mandate is in the best interests of the Company and Shareholders. An exercise of the Repurchase Mandate 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 of the Company and will only be made when the Directors believe that repurchase of Shares will benefit the Company and Shareholders as a whole.

**4. FUNDING OF REPURCHASES**

The Directors have no present intention to repurchase any shares but consider that the mandate will provide the flexibility to make such repurchases when appropriate and beneficial to the Company and Shareholders. Such repurchases may enhance the net asset value of the Company and its assets and/or its earnings per share.

As compared with the financial position of the Company as at 30th June, 2005 (being the date of its latest published audited accounts), the Directors consider that there is material adverse impact on the working capital or gearing position of the Company in the event that the repurchase mandate is exercised in full. The Directors do not propose to exercise the 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.

In repurchasing shares, the Company may only apply funds legally available for such purpose in accordance with the Memorandum of Association and the Bye-Laws and the applicable laws of Bermuda. It is intended to finance the repurchases from the Company's available cash flow or working capital facilities. The Company is empowered under the Memorandum of Association to repurchase shares and the same authority is given under section 42A of the Companies Act 1981 of Bermuda. The Bye-Laws supplement the Memorandum of Association by providing that this power is exercisable by the Directors upon such terms and subject to such conditions as they think fit. The Companies Act 1981 of Bermuda provides that the funds permitted to be utilized in connection with a share repurchase may only be paid out of either the capital paid up on the relevant repurchased shares, or the funds of the Company that would otherwise be available for dividend or distribution, or the proceeds of a fresh issue of shares made for such purpose. The amount of premium payable on redemption may only be paid out of either the funds of the Company that would otherwise be available for dividend or distribution, or out of the share premium account of the Company before the shares are repurchased. Under Bermuda law, a company's repurchased shares shall be treated as cancelled upon purchase and the company's issued share capital shall be diminished by the nominal value of those shares accordingly (but such repurchase is not to be taken as reducing the amount of the company's authorised share capital).

## 5. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange for each of the last twelve months preceding and up to the Latest Practicable Date were as follows:

<b>For the month ended</b>	<b>High</b>	<b>Low</b>
	<i>HK\$</i>	<i>HK\$</i>
<b>2004</b>		
September	1.47	1.39
October	1.56	1.48
November	1.55	1.52
December	1.92	1.88
<b>2005</b>		
January	1.84	1.80
February	2.425	2.30
March	2.525	2.375
April	2.375	2.3
May	2.375	2.275
June	2.275	2.125
July	2.525	2.225
August	2.675	2.375
September <i>(up to the Latest Practicable Date)</i>	2.55	1.91

## 6. DISCLOSURE OF INTERESTS, THE TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any associate of the Directors currently intends to sell any Shares to the Company.

No connected person (as defined in the Listing Rules) has notified the Company that he/she has a present intention to sell Shares to the Company nor has he/she undertaken not to do so in the event that the Company is authorised to make purchases of Shares.

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 and in accordance with the Memorandum of Association and Bye-Laws.

If as the result of a repurchase of Shares, 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 the Takeovers Code. As a result, a Shareholder, or group of Shareholders acting in concert, depending on the level of increase of the Shareholder's interest, 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. A waiver of this provision would not normally be given except in extraordinary circumstances. As at the Latest Practicable Date, Mr. Wong Chung Chong, Eddie ("**Mr. Wong**") and his family trust, High Union Holdings Inc. ("**High Union**") held 16.37%, whereas Van de Velde N.V. ("**VdV**") and its wholly-owned subsidiary, Guliano (HK) Limited ("**Guliano**"), jointly held 16.35% of the issued share capital of the Company. In the event that the Directors exercise their power in full to repurchase the Shares, the percentage shareholdings held by Mr. Wong and High Union will be increased to 18.19%, and VdV and Guliano will be increased to 18.17% of the issued share capital approximately. Except disclosed above, the Directors are neither aware of any Shareholders, or group of Shareholders acting in concert, nor any Shareholders holding 5% or more equity interests in the Company as at the Latest Practicable Date, who will become obliged to make a mandatory offer as a result of repurchases of Shares.

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 purpose of Rule 32 of 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.

On the basis of the shareholding held by the substantial Shareholders named above, an exercise of the Repurchase Mandate in full will not have any implications under the Takeovers Code.

If the Directors exercise the Repurchase Mandate (whether in whole or in part), they will not exercise it to the extent which would result in the number of shares being held by the public falling below the relevant minimum prescribed percentage of the Company as required by the Stock Exchange, which is currently 25% of the entire issued share capital of the Company.

## **7. SHARE REPURCHASE MADE BY THE COMPANY**

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

*The particulars of the Directors who will retire at the Annual General Meeting according to the Bye-laws and will be proposed for re-election at the Annual General Meeting are set out below:*

**EXECUTIVE DIRECTOR**

**Leung Tat Yan**, aged 48, was appointed as an executive director of the Company on 18th September, 2005. Mr. Leung joined the Group in 1983 and has a broad range of experience in the ladies' intimate apparel industry. He completed his further education in Business Studies in the United Kingdom. Mr. Leung is currently the Managing Director of Top Form Brassiere Mfg. Co., Limited, a wholly-owned subsidiary of the Company, and is the chief executive of the OEM operations of the Group. He is also a director of other members of the Group companies.

Mr. Leung did not have any relationship with any Directors, senior management or substantial or controlling Shareholders and did not hold any directorship in other public listed companies during three years preceding the Latest Practicable Date.

As at the Latest Practicable Date, Mr. Leung did not hold any options of the Company and had interests of 80,000 Shares with his associate within the meaning of Part XV of the SFO.

Mr. Leung is entitled to an annual remuneration of HK\$1,607,000 and a year end discretionary bonus determined by the Board at its absolute discretion having regard to the Company's performance and the marketing situation. Such sum was determined by the Board with reference to market terms, his duties and responsibilities in the Group and the Group's remuneration policy. There is no director's service contract entered into between the Company and Mr. Leung and he was not appointed for a specific term except that he is subject to retirement by rotation and re-election in accordance with the Bye-laws.

**NON-EXECUTIVE DIRECTORS**

**Herman Van de Velde**, aged 51, was appointed as a non-executive director of the Company on 9th September, 2002. He is the Managing Director of VdV. He joined the brassiere industry in 1981 and is well versed in operating the brassiere business in Europe. Mr. Van de Velde does not hold any position with the Group companies nor any directorship in other public listed companies within the past three years preceding the date of this circular.

As at the Latest Practicable Date, Mr. Van de Velde did not hold any options of the Company. Except Shares held by VdV and its subsidiary (details disclosed in item 6 of Appendix I), he did not hold any shares of the Company, within the meaning of Part XV of the SFO.

There is no service agreement contracted with Mr. Herman Van de Velde and he did not have fixed term of service with the Company, but will be subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Bye-laws.

The director's fee of Mr. Van de Velde is to be determined by the Board of Directors as authorised by Shareholders at the Annual General Meeting, such fee is determined based on the market rate and his anticipated time, effort and expertise to be exercised in the Group's affairs. For the year ended 30th June, 2005, he was entitled a director's emolument of HK\$200,000. As at the Latest Practicable Date, he is not connected with the directors, chief executives or substantial Shareholders of the Company.

**Lucas A.M. Laureys**, aged 60, was appointed as a non-executive director of the Company on 9th September, 2002. He is the Chairman of VdV. He has over 30 years of experience in the brassiere trade. Mr. Laureys does not hold any position with the Group companies nor any directorship in other public listed companies preceding the date of this circular.

As at the Latest Practicable Date, Mr. Laureys did not hold any options of the Company. Except Shares held by VdV and its subsidiary (details disclosed in item 6 of Appendix I), he did not hold any shares of the Company, within the meaning of Part XV of the SFO.

There is no service agreement contracted with Mr. Laureys. and he did not have fixed term of service with the Company, but will be subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Bye-laws.

The director's fee of Mr. Laureys is to be determined by the Board of Directors as authorised by Shareholders at the Annual General Meeting, such fee is determined based on the market rate and their anticipated time, effort and expertise to be exercised in the Group's affairs. For the year ended 30th June, 2005, he was entitled a director's emolument of HK\$200,000. As at the Latest Practicable Date, he is not connected with the directors, chief executives or substantial Shareholders of the Company.

There are no matters which need to be brought to the attention of the Shareholders upon the above re-elections.

**TOP FORM INTERNATIONAL LIMITED****黛麗斯國際有限公司\****(Incorporated in Bermuda with limited liability)***(Stock Code: 333)****NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of Top Form International Limited (the “Company”) will be held at Aberdeen (Level 3), JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong, on 28th October 2005, Friday, at 10:30 a.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements of the Company and its subsidiaries and the Reports of the Directors and Auditors for the year ended 30th June, 2005;
2. To approve and declare a final dividend;
3. To re-elect retiring Directors and authorise the Board to fix the Directors’ remuneration;
4. To re-appoint Auditors and authorise the Board to fix their remuneration;
5. As special business to consider, and if thought fit, to pass with or without modifications the following resolutions as Ordinary Resolutions:

A. **“THAT:**

- (a) subject to paragraph (c), 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 in the capital of the Company or securities convertible into such shares or warrants or similar rights to subscribe for any shares in the Company and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;

\* for identification purposes only

- (b) the approval in paragraph (a) shall authorise the Directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options 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) by the Directors of the Company pursuant to the approval in paragraph (a), otherwise than pursuant to the shares of the Company issued as a result of (i) a Rights Issue (as hereinafter defined); (ii) any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; or (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the bye-laws of the Company, shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of 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 passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws of Bermuda to be held; or
- (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders of the Company in the general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company to holders of shares of the Company on the register on a fixed record date in proportion to their holdings of such shares (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).”



**B. “THAT:**

- (a) subject to paragraph (b), 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 on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission 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 which may be repurchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of passing of this Resolution and the said approval shall be limited accordingly; and
- (c) The expression “Relevant Period” shall for the purposes of this Resolution have the same meaning as assigned to it under Ordinary Resolution no. 5A set out in the notice convening this meeting.”

- C. “**THAT** conditional upon Resolutions no. 5A and 5B above being passed, the aggregate nominal amount of the number of shares in the capital of the Company which are repurchased by the Company under the authority granted to the Directors as mentioned in Resolution no. 5B above shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company pursuant to Resolution no. 5A, provided that the amount of share capital repurchased by the Company shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of this Resolution.”

6. **As special business**, to consider and if thought fit, pass with or without amendments the following resolution as a Special Resolution:

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

By deleting the existing bye-law 66 and inserting the following new bye-law 66:–

- (a) “66. Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Bye-laws, at any general meeting on a show of hands every Member present in person (or being a corporation, is present by a representative duly authorised under Section 78 of the Act), or by proxy shall have one vote and on a poll every Member present in person or by proxy or, in the case of a Member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share. Notwithstanding anything contained in these Bye-laws, where more than one proxy is appointed by a Member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. A resolution put to the vote of a meeting shall be decided on a show of hands unless voting by way of a poll is required by the rules of the Designated Stock Exchange or (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 such meeting; or
- (b) by at least three Members present in person (or in the case of a Member being a corporation by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (c) by a Member or Members present in person (or in the case of a Member being a corporation by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all Members having the right to vote at the meeting; or
- (d) by a Member or Members present in person (or in the case of a Member being a corporation by its duly authorised representative) or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right; or

- (e) if required by the rules of the Designated Stock Exchange, by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five per cent. (5%) or more of the total voting rights at such meeting.

A demand by a person as proxy for a Member or in the case of a Member being a corporation by its duly authorised representative shall be deemed to be the same as a demand by a Member.”

- (b) By adding the following at the last sentence of Bye-law 68:

“unless such disclosure is required by the rules of the Designated Stock Exchange.”

- (c) By deleting the third sentence of Bye-law 86(1) and substituting therefor the following:

“The Directors shall be elected or appointed in the first place at the statutory meeting of Members and thereafter at each annual general meeting of the Company in accordance with Bye-law 87 or at any special general meeting and shall hold office until (1) the following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to the Board) and shall then be eligible for re-election at that meeting, but he/she shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation in case he/she retires at an annual general meeting, or (2) the next appointment of Directors or (3) their successors are elected or appointed, whichever is the earlier.”

- (d) By deleting Bye-law 86(2) in its entirety and substituting therefor the following new 86(2):

“(2)(a) 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 general meeting. Any Director so appointed by the Board shall hold office only until the following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to the Board), and shall then be eligible for re-election

at that meeting, but he/she shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation in case he/she retires at an annual general meeting.

(2)(b) The Company may from time to time in general meeting by ordinary resolution elect any person to be a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director so appointed shall hold office until the following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to the Board), and shall then be eligible for re-election at that meeting, but he/she shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation in case he/she retires at an annual general meeting.”

(e) By deleting Bye-law 86(5) in its entirety and substituting therefor the following:

“A vacancy on the Board created by the removal of a Director under the provisions of subparagraph (4) above may be filled by the election or appointment of the Members at the meeting at which such Director is removed to hold office until the following general meeting of the Company and shall then be eligible for re-election at that meeting, but he/she shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation in case he/she retires at an annual general meeting, or until the next appointment of Directors or until their successors are elected or appointed or, in the absence of such election or appointment such general meeting may authorise the Board to fill any vacancy in the number left unfilled.”

(f) By deleting Bye-law 87(2) in its entirety and substituting therefor the following:

“Subject to the Statutes but notwithstanding any other provisions in the Bye-laws, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three, 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) 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.”

- (g) By inserting the following immediately before the second sentence of Bye-law 87(4):

“For the latter case, the Director so elected shall hold office until (1) the following general meeting of the Company and shall then be eligible for re-election at that meeting, but he/she shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation in case he/she retires at an annual general meeting, or (2) the next appointment of Directors or (3) their successors are elected or appointed, whichever is the earlier.”

On behalf of the Board  
**Fung Wai Yiu**  
*Chairman*

Hong Kong  
18th September, 2005

*Principal office:*  
Room 1813, 18th Floor, Tower 1  
Grand Century Place  
193 Prince Edward Road West  
Kowloon, Hong Kong

*Notes:*

1. A member of the Company entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. To be valid, a form of proxy, together with the power of attorney or other 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 Share Registrar in Hong Kong, Secretaries Limited at G/F., 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 said meeting.
3. A form of proxy for the meeting will be enclosed with the annual report.
4. The register of members of the Company will be closed from 21 October 2005 (Friday) to 28 October 2005 (Friday), both days inclusive, for the purpose of establishing entitlement of shareholders to receive the dividends and vote at the meeting. During this period no transfer of shares will be effected. All transfers accompanied by the relevant share certificates must be lodged with the Company's Share Registrar in Hong Kong, Secretaries Limited at G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not later than 4:00 p.m. on 20 October 2005.
5. With reference to the Ordinary Resolutions sought in item 5A and 5B of this notice, the directors wish to state that they have no immediate plans to issue any new shares or to repurchase any existing shares of the Company. The explanatory statement required by the Listing Rules of the Stock Exchange in connection with the repurchase mandate will be despatched to shareholders together with the annual report.
6. The directors of the Company as at the date of this notice are Mr. Fung Wai Yiu, Mr. Wong Chung Chong, Eddie and Leung Tat Yan being the Executive Directors, Mr. Lucas A.M. Laureys, Ms. Leung Churk Yin, Jeanny and Mr. Herman Van de Velde being the Non-executive Directors, Mr. Marvin Bienenfeld, Mr. Chow Yu Chun, Alexander and Mr. Lam Ka Chung, William, being the Independent Non-executive Directors.