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## IMPORTANT

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**If you are in any doubt** as to any aspect of this circular, 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 **Jinhui Holdings Company Limited**, you should at once hand this circular (together with the form of proxy sent to you) to the purchaser or the 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.

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### **JINHUI HOLDINGS COMPANY LIMITED**

*(Incorporated in Hong Kong with limited liability)*

(Stock Code: 137)

### **PROPOSED GRANT OF SHARE OPTIONS TO DIRECTORS**

### **REFRESHMENT OF THE SCHEME MANDATE LIMIT**

**AND**

### **NOTICE OF EXTRAORDINARY GENERAL MEETING**

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A notice convening the extraordinary general meeting of Jinhui Holdings Company Limited to be held at Caine Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Thursday, 27 January 2005 at 9:30 a.m. is set out in Appendix I to this circular.

Whether or not you are able to attend, please complete and return the accompanying proxy form in accordance with the instructions printed thereon and return it to the registered office of Jinhui Holdings Company Limited at 26th Floor, Yardley Commercial Building, 1-6 Connaught Road West, 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 or any adjourned meeting (as the case may be). Completion and deposit of the proxy form will not preclude you from attending and voting at the meeting if you so wish.

11 January 2005

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## DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it in the Listing Rules;
“Board”	the board of Directors;
“Board Meeting”	meeting of the Board held on 23 December 2004 at which resolutions were passed by the independent non-executive Directors to approve the grant of the Proposed Share Options to the Grantees;
“business day”	a day (excluding Saturday) on which banks are generally open for business in Hong Kong;
“Company”	Jinhui Holdings Company Limited, a company incorporated with limited liability in Hong Kong and whose Shares are listed and traded on the Stock Exchange;
“Connected Person”	a director, chief executive or substantial shareholder of the Company, or any of its Subsidiaries or their respective associates (as such term is defined in the Listing Rules);
“Director(s)”	the director(s) of the Company;
“Extraordinary General Meeting” or “EGM”	the extraordinary general meeting of the Company to be held at Caine Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Thursday, 27 January 2005 at 9:30 a.m., notice of which is set out in Appendix I to this circular;
“Grantees”	Mr. Ng Siu Fai and Mr. Ng Kam Wah Thomas, the Chairman and the Managing Director of the Company, respectively;
“Group”	the Company and its Subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Board Committee”	an independent board committee of the Company comprising Mr. Cui Jian Hua, Mr. Tsui Che Yin Frank and Mr. William Yau, all being the independent non-executive Directors, duly appointed by the Board to advise the Independent Shareholders in relation to the grant of the Proposed Share Options to the Grantees;

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## DEFINITIONS

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“Independent Shareholders”	Shareholders other than the Grantees and their respective associates;
“Jinhui Shipping”	Jinhui Shipping and Transportation Limited, a Subsidiary of the Company and the shares of which are listed on the Oslo Stock Exchange;
“Latest Practicable Date”	7 January 2005, being the latest practicable date prior to the printing of this circular for the purposes of ascertaining certain information for inclusion in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Proposed Share Options”	the options to subscribe for Shares proposed to be granted to the Grantees under the Share Option Scheme, a summary of the principal terms of which is set out in the paragraph headed “Terms of the Proposed Share Options” in the Letter from the Board;
“Scheme Mandate Limit”	the maximum number of Shares that may be issued upon the exercise of all Share Options to be granted under the Share Option Scheme and all other options under any other share option schemes of the Group; in respect of the existing Scheme Mandate Limit, equivalent to 10% of the issued share capital of the Company as at the date of adoption of the Share Option Scheme, and in respect of the Scheme Mandate Limit (as refreshed) to be approved at the EGM, equivalent to 10% of the issued share capital of the Company as at the date of approval of the refreshment of the Scheme Mandate Limit;
“Share(s)”	ordinary share(s) with a par value of HK\$1.00 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of Share(s);
“Share Option Scheme”	the share option scheme adopted by the Company on 18 November 2004;
“Share Option(s)”	the option(s) to subscribe for Share(s) under the Share Option Scheme;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary” or “Subsidiaries”	a subsidiary or subsidiaries (within the meaning under the Companies Ordinance (Cap. 32 of the Laws of Hong Kong)) of the Company;

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## DEFINITIONS

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“Substantial Shareholder/INED Limit”

the maximum number of Shares issued and to be issued upon the exercise of all Share Options already granted and to be granted (including Share Options exercised, cancelled and outstanding) to a substantial shareholder (for the purposes of the Listing Rules) of the Company or an independent non-executive Director or any of their respective associates in a 12-month period up to and including the relevant date of grant representing (i) an aggregate of 0.1% of the Shares in issue, and (ii) having an aggregate value of HK\$5 million (based on the closing price of the Shares on the relevant date of grant);

“HK\$”

Hong Kong dollars, the lawful currency of Hong Kong;

“1% Individual Limit”

the maximum number of Shares issued and to be issued upon the exercise of the Share Options granted to each participant (including both exercised and outstanding Share Options) in any 12-month period under the Share Option Scheme representing 1% of the Shares in issue; and

“%”

per cent.

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## LETTER FROM THE BOARD

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### JINHUI HOLDINGS COMPANY LIMITED

*(Incorporated in Hong Kong with limited liability)*

(Stock Code: 137)

*Directors:*

Ng Siu Fai (*Chairman*)  
Ng Kam Wah Thomas (*Managing Director*)  
Ng Ki Hung Frankie  
Ho Suk Lin  
Ho Kin Lung \*  
Cui Jian Hua \*\*  
Tsui Che Yin Frank \*\*  
William Yau \*\*

*Registered Office:*

26th Floor  
Yardley Commercial Building  
1-6 Connaught Road West  
Hong Kong

11 January 2005

\* *Non-executive Director*

\*\* *Independent Non-executive Director*

*To the Shareholders and, for information only,  
the holders of Share Options*

Dear Sir or Madam,

### **PROPOSED GRANT OF SHARE OPTIONS TO DIRECTORS AND REFRESHMENT OF THE SCHEME MANDATE LIMIT**

#### **INTRODUCTION**

The purpose of this circular is (a) to provide you with information regarding the grant of the Proposed Share Options to the Grantees and the “refreshment” of the Scheme Mandate Limit; and (b) to give you notice of the EGM at which the necessary resolutions approving the grant of the Proposed Share Options to the Grantees and the “refreshment” of the Scheme Mandate Limit will be sought.

#### **PROPOSED GRANT OF SHARE OPTIONS TO DIRECTORS**

At the extraordinary general meeting of the Company held on 18 November 2004, the Shareholders approved the adoption of the Share Option Scheme whereby the Directors were authorised to grant

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## LETTER FROM THE BOARD

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options to the directors, officers and employees of the Group and other person(s) selected by the Board who have contributed or will contribute to the Group. The rules of the Share Option Scheme together with Listing Rules 17.03(3), 17.03(4) and 17.04(1)(a) and (b) provide for, amongst other things, the following:

- (i) the total number of Shares that are issued and to be issued upon the exercise of the Share Options granted to each participant (including both exercised and outstanding Share Options) in any 12-month period must not exceed 1% of the issued share capital of the Company (the “**1% Individual Limit**” as defined);
- (ii) the total number of Shares that are issued and to be issued upon the exercise of the Share Options granted and to be granted (including Share Options exercised, cancelled and outstanding) to a substantial shareholder (for the purposes of the Listing Rules) of the Company or an independent non-executive Director or any of their respective associates in a 12-month period up to and including the relevant date of grant shall not exceed:
  - (a) such number of Shares representing an aggregate of 0.1% of the Shares in issue; and
  - (b) such number of Shares having an aggregate value of HK\$5 million (the “**Substantial Shareholder/INED Limit**” as defined); and
- (iii) the total number of Shares that may be issued upon the exercise of all Share Options to be granted under the Share Option Scheme and all other options under any other share option schemes of the Group must not exceed in aggregate 10% of the issued share capital of the Company as at the date of adoption of the Share Option Scheme or as at the date of the approval of the refreshment of the scheme mandate limit, as the case may be (the “**Scheme Mandate Limit**” as defined).

Further grant of Share Options exceeding any of the above limits will be subject to certain additional requirements as prescribed under the Listing Rules and the rules of the Share Option Scheme, and they are as follows:

- (i) in respect of the 1% Individual Limit, must be approved by the Shareholders in general meeting with the proposed grantees and his associates abstaining from voting, and based on 52,624,248 Shares in issue as at the Latest Practicable Date, the number of Shares under the existing 1% Individual Limit of the Share Option Scheme is 526,242 Shares;
- (ii) in respect of the Substantial Shareholder/INED Limit, must be approved by the Shareholders in general meeting with all Connected Persons of the Company abstaining from voting in favour of such grant, and based on the closing price of HK\$15.30 per Share for the Shares at 23 December 2004 (being the date of grant of the Proposed Share Options for the purposes of determining the subscription price of the Proposed Share Options), the Substantial Shareholder/INED Limit is 326,797 Shares and the aggregate value of which is not more than HK\$5 million; and

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## LETTER FROM THE BOARD

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- (iii) in respect of the Scheme Mandate Limit, must be approved by the Shareholders with the proposed grantees specifically identified, and as at the Latest Practicable Date, the Scheme Mandate Limit of 5,262,424 Shares, based on 52,624,248 Shares in issue as at the date of adoption of the Share Option Scheme, has been partially utilized, Share Options to subscribe for an aggregate of 2,417,200 Shares have been granted and remain outstanding, and additional Share Options to subscribe for an aggregate of 2,845,224 Shares may be granted under the existing Scheme Mandate Limit.

At the Board Meeting held on 23 December 2004, the resolutions were passed by the independent non-executive Directors approving the grant of the Proposed Share Options to the Grantees (being Mr. Ng Siu Fai and Mr. Ng Kam Wah Thomas). The grant of the Proposed Share Options to each of Mr. Ng Siu Fai and Mr. Ng Kam Wah Thomas will exceed the 1% Individual Limit in a 12-month period and the Substantial Shareholder/INED Limit, accordingly, the grant of the Proposed Share Options will be subject to the approval of the Independent Shareholders, by way of poll, with each of the Grantees and his associates abstaining from voting and all Connected Persons of the Company abstaining from voting in favour of the grant of the Proposed Share Options.

According to the Listing Rules, in respect of Mr. Ng Siu Fai, Fairline Consultants Limited and Ms. Wong Yee Man Gloria, as associates of Mr. Ng Siu Fai, will abstain from voting in the resolutions approving the grant of the Proposed Share Options to Mr. Ng Siu Fai, and in respect of Mr. Ng Kam Wah Thomas, Fairline Consultants Limited, as an associate of Mr. Ng Kam Wah Thomas, will abstain from voting in the resolutions approving the grant of the Proposed Share Options to Mr. Ng Kam Wah Thomas.

Fairline Consultants Limited is a substantial shareholder (for the purposes of the Listing Rules) and a Connected Person of the Company, and each of Mr. Ng Siu Fai and Mr. Ng Kam Wah Thomas is a beneficiary of the Ng Hing Po 1991 Trust, a discretionary trust and the trustee of which, Lorimer Limited, is the legal owner of the entire issued share capital of Fairline Consultants Limited.

Neither Mr. Ng Siu Fai nor Mr. Ng Kam Wah Thomas is a substantial shareholder (for the purposes of the Listing Rules) of the Company, however, each of Mr. Ng Siu Fai and Mr. Ng Kam Wah Thomas is deemed to be an associate of Fairline Consultants Limited for the purposes of Listing Rules 17.04(1)(a) and (b) in connection with the grant of the Proposed Share Options. Accordingly, the grant of the Proposed Share Options to each of Mr. Ng Siu Fai and Mr. Ng Kam Wah Thomas is subject to the Substantial Shareholder/INED Limit.

The Independent Board Committee has been appointed and established for the purpose of advising the Independent Shareholders on the grant of the Proposed Share Options to the Grantees.



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## LETTER FROM THE BOARD

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### THE GRANTEES

The names and brief details of the Grantees are as follows:

Mr. Ng Siu Fai, an executive Director of the Company, is the Chairman of the Company and Jinhui Shipping. Mr. Ng Siu Fai is one of the two founders of the Company. Mr. Ng Siu Fai has been responsible for the formulation of the strategic direction of the Group, focusing on the continuing growth and development of the Group's organisation and business operations.

Mr. Ng Kam Wah Thomas, an executive Director of the Company, is the Managing Director of the Company and Jinhui Shipping. Mr. Ng Kam Wah Thomas is the other founder of the Company. Mr. Ng Kam Wah Thomas is responsible for the corporate and business management of the Group.

As at the Latest Practicable Date, each of the Grantees does not hold any other Share Options under the Share Option Scheme.

### TERMS OF THE PROPOSED SHARE OPTIONS

The following is a summary of the principal terms of the Proposed Share Options:

#### *Number of Shares subject to the Proposed Share Options*

The total number of Shares which may be issued upon the exercise in full of the Proposed Share Options to the Grantees are as follows:

- (i) in respect of Mr. Ng Siu Fai, 3,157,000 Shares, representing approximately 6% of the issued share capital of the Company as at the Latest Practicable Date; and
- (ii) in respect of Mr. Ng Kam Wah Thomas, 2,105,000 Shares, representing approximately 4% of the issued share capital of the Company as at the Latest Practicable Date.

#### *Exercise period of the Proposed Share Options*

The Proposed Share Options may be exercised during the period commencing on (a) 1 March 2006 or on the business day immediately after the day of the issue and publication of the audited consolidated results of the Group for the financial year of 2005, whichever is the later, and ending on (b) 22 December 2014 being the end of the 10-year period from 23 December 2004 (being the date of grant of the Proposed Share Options for the purposes of determining the subscription price of the Proposed Share Options), or the date on which the Proposed Share Options shall lapse in accordance with the terms of the Share Option Scheme, whichever is the earlier.

#### *Minimum holding period of the Proposed Share Options*

There will be no minimum holding period of the Proposed Share Options.

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## LETTER FROM THE BOARD

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### *Performance Target*

The Proposed Share Options will become exercisable upon the Group having recorded an audited consolidated net profit of not less than HK\$400 million for the financial year of 2005.

In the event that the performance target is not achieved by the Group for the financial year of 2005, the Proposed Share Options shall not become exercisable and, accordingly, will be cancelled.

### *Amount payable upon acceptance of the Proposed Share Options*

Each Grantee is required to pay HK\$1.00 upon acceptance of the offer.

### *Subscription price of the Proposed Share Options*

The subscription price per Share of the Proposed Share Options is HK\$16.00, representing the highest of (a) the average closing price of the Shares of HK\$16.00 per Share as stated in the daily quotations sheets issued by the Stock Exchange for the 5 business days immediately preceding 23 December 2004, being the date of the Board Meeting; (b) the closing price of the Shares of HK\$15.30 per Share on 23 December 2004; and (c) the nominal value of the Shares of HK\$1.00 per Share.

## **REASONS AND BENEFITS OF THE GRANT OF THE PROPOSED SHARE OPTIONS**

In order to recognise the distinguished and significant contribution of the Grantees to the Group during their respective terms of service and to provide incentives for their respective continuous contribution to the Group, it is proposed that the Proposed Share Options be granted to the Grantees under the Share Option Scheme.

The Board also considers that the grant of the Proposed Share Options represents a bonus incentive scheme not only to the Grantees but also to other directors, officers and employees of the Group for the purpose of motivating them to continue to work for the benefit of the Group with the prospects of the opportunity to subscribe for Shares under the Share Option Scheme.

## **REFRESHMENT OF THE SCHEME MANDATE LIMIT**

As at the Latest Practicable Date, Share Options to subscribe for an aggregate of 2,417,200 Shares have been granted and remain outstanding, representing approximately 45.93% of the existing Scheme Mandate Limit. The Scheme Mandate Limit may be “refreshed” by the approval of the Shareholders and the “refreshed” Scheme Mandate Limit must not exceed 10% of the issued share capital as at the date of the approval. Share Options and other options previously granted under the Share Option Scheme or any other share option schemes of the Group, as the case may be (including options outstanding, cancelled, exercised or lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Group, as the case may be) shall not be counted for the purposes of calculating the “refreshed” Scheme Mandate Limit. The Directors therefore proposed that the Scheme Mandate Limit be

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## LETTER FROM THE BOARD

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refreshed and the refreshment of the Scheme Mandate Limit will be subject to the approval of the Shareholders at the forthcoming EGM. Based on the issued share capital of the Company as at the Latest Practicable Date, the number of Shares under the Scheme Mandate Limit to be refreshed will be 5,262,424 Shares, being 10% of the issued share capital of the Company.

Assuming that the grant of the Proposed Share Options is approved at the forthcoming EGM and together with the Share Options granted and yet to be exercised, the total number of Shares which may be issued upon the exercise of all Share Options outstanding and yet to be exercised will be 7,679,200 Shares, representing approximately 14.59% of the Shares in issue as at the Latest Practicable Date. Assuming that the refreshment of the Scheme Mandate Limit is approved at the forthcoming EGM and taking into account the following:

- (i) the additional 5,262,424 Shares subject to the Scheme Mandate Limit (as refreshed) and together with;
- (ii) the 2,417,200 Shares subject to the Share Options granted and yet to be exercised; and
- (iii) the 5,262,000 Shares subject to the Proposed Share Options,

the number of Shares that may be issued under the Share Options to be granted under the Scheme Mandate Limit (as refreshed) and to be issued under the Share Options granted and outstanding will be 12,941,624 Shares, representing approximately 24.59% of the Shares in issue as at the Latest Practicable Date and is, based on the number of Shares in issue as at the Latest Practicable Date, within the 30% scheme limit of the Share Option Scheme as prescribed under the Share Option Scheme and the Listing Rules.

Application has been made to the Stock Exchange for the listing of and permission to deal in the Shares to be issued under the refreshed Scheme Mandate Limit.

### **EXTRAORDINARY GENERAL MEETING**

Notice of the EGM is set out on pages 12 and 13 of this circular. At the EGM, the ordinary resolutions will be proposed to approve the grant of the Proposed Share Options to the Grantees and the refreshment of the Scheme Mandate Limit.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you intend to attend the meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's registered office at 26th Floor, Yardley Commercial Building, 1-6 Connaught Road West, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the EGM or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting at the EGM if you so wish.

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## LETTER FROM THE BOARD

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### RECOMMENDATIONS

The Independent Board Committee considers the grant of Proposed Share Options to the Grantees is beneficial to the Company and the Shareholders as a whole and is fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the grant of the Proposed Share Options to the Grantees. Your attention is drawn to the letter from the Independent Board Committee set out on page 11 of this circular which contains its recommendation to the Independent Shareholders as to voting at the EGM regarding the grant of the Proposed Share Options to the Grantees.

The Board considers that the refreshment of the Scheme Mandate Limit is beneficial to the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the refreshment of the Scheme Mandate Limit.

### RESPONSIBILITY STATEMENT

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

### DOCUMENTS AVAILABLE FOR INSPECTIONS

Copies of the rules of the Share Option Scheme will be available for inspection at the registered office of the Company at 26th Floor, Yardley Commercial Building, 1-6 Connaught Road West, Hong Kong during normal business hours on any weekday, except public holidays, up to and including the date of the EGM.

Yours faithfully  
By Order of the Board  
**Ng Siu Fai**  
*Chairman*

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# LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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## **JINHUI HOLDINGS COMPANY LIMITED**

*(Incorporated in Hong Kong with limited liability)*

(Stock Code: 137)

11 January 2005

*To the Independent Shareholders and,  
for information only, the holders of Share Options*

Dear Sir or Madam,

### **PROPOSED GRANT OF SHARE OPTIONS**

We refer to the circular to the Shareholders dated 11 January 2005 (the “Circular”), in which this letter is contained. Unless the context requires otherwise, capitalised terms used in this letter shall have the same meanings given to them in the section headed “Definitions” of the Circular.

As the Independent Board Committee, we have been appointed to advise the Independent Shareholders on whether the grant of the Proposed Share Options to the Grantees is fair and reasonable so far as the Independent Shareholders are concerned.

Having considered the distinguished and significant contribution of the Grantees to the development of the business of the Group and the importance of their continuous contribution to the Group, we consider that the grant of the Proposed Share Options to the Grantees is beneficial to the Company and the Shareholders as a whole and is fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM to approve the grant of the Proposed Share Options to the Grantees as set out in the notice convening the EGM set out on pages 12 and 13 of the Circular.

Yours faithfully

Independent Board Committee of

**Jinhui Holdings Company Limited**

**Cui Jian Hua      Tsui Che Yin Frank      William Yau**

**JINHUI HOLDINGS COMPANY LIMITED**

*(Incorporated in Hong Kong with limited liability)*

(Stock Code: 137)

**NOTICE IS HEREBY GIVEN** that the Extraordinary General Meeting of Jinhui Holdings Company Limited (the “Company”) will be held at Caine Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Thursday, 27 January 2005 at 9:30 a.m. for the purpose of considering and, if thought fit, passing, with or without amendments, the following resolutions as Ordinary Resolutions:

**ORDINARY RESOLUTIONS****“THAT:**

- (1) the grant to Mr. Ng Siu Fai options (the “Share Options”) to subscribe for 3,157,000 ordinary shares of HK\$1.00 each in the share capital of the Company (the “Shares”) at the subscription price of HK\$16.00 per Share subject to the conditions on the exercise of the Share Options as described in the Company’s circular dated 11 January 2005 and pursuant to the share option scheme of the Company adopted on 18 November 2004 (the “Share Option Scheme”) be and is hereby approved and confirmed;
- (2) the grant to Mr. Ng Kam Wah Thomas Share Options to subscribe for 2,105,000 Shares at the subscription price of HK\$16.00 per Share subject to the conditions on the exercise of the Share Options as described in the Company’s circular dated 11 January 2005 and pursuant to the Share Option Scheme be and is hereby approved and confirmed;
- (3) subject to the approval of the relevant ordinary resolutions numbered (1) and (2) above (as the case may be), the directors of the Company or a duly authorised committee thereof be and are hereby authorised to do any act or things or to sign, seal, execute and/or deliver any documents for and on behalf of the Company as may be necessary, desirable or expedient in connection with the grant of Share Options to each of Mr. Ng Siu Fai and Mr. Ng Kam Wah Thomas respectively; and
- (4) pursuant to the Share Option Scheme, the refreshment of the total number of Shares that may be issued upon the exercise of all Share Options and other options to be granted under the Share Option Scheme or any other share option schemes of the Company or its subsidiaries, as the case may be, (the “Scheme Mandate Limit”) be and is hereby approved and confirmed and the Scheme Mandate Limit as “refreshed” shall represent a maximum of 10% of the issued share capital of the Company as at the date of the passing of this resolution, Share Options and other options previously granted under the Share Option

Scheme or any other share option schemes of the Company or its subsidiaries, as the case may be (including options outstanding, cancelled, exercised or lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company or its subsidiaries, as the case may be) shall not be counted for the purposes of calculating the Scheme Mandate Limit.”

By Order of the Board  
**Ho Suk Lin**  
*Company Secretary*

Hong Kong, 11 January 2005

*Notes:*

1. A member entitled to attend and vote at the above meeting may appoint one or more proxies to attend and vote in his or her stead. A proxy need not be a member of the Company.
2. In order to be valid, the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be lodged at the registered office of the Company at 26th Floor, Yardley Commercial Building, 1-6 Connaught Road West, Hong Kong not less than 48 hours before the time appointed for the holding of the above meeting or any adjourned meeting.
3. The register of members of the Company will be closed from 25 January 2005 to 27 January 2005, both dates inclusive, during which no transfer of shares will be effected. In order to qualify for voting at the meeting, shareholders should ensure that they are registered as members of the Company on 24 January 2005.

1. Subject to the provisions of the Companies Ordinance, a poll may be demanded:
  - (a) by the chairman;
  - (b) by not less than five members having the right to vote at the meeting;
  - (c) by a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
  - (d) by a member or members holding shares conferring a right to vote on the resolution 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.
2. The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman, and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.
3. A poll shall be taken as the chairman directs, and he may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
4. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman shall be entitled to a casting vote in addition to any other vote he may have.
5. A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time and place as the chairman directs, not being more than thirty days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.
6. No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting in respect of which it is demanded. In any other case, at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.