

NOTICE IS HEREBY GIVEN THAT an annual general meeting of Tai Fook Securities Group Limited (the “Company”) will be held at Training Centre, Unit D, 14/F., On Hing Building, 1 On Hing Terrace, Central, Hong Kong on Tuesday, 25 May 2004 at 11:00 a.m. for the following purposes:

1. To receive and consider the audited financial statements and reports of the board of directors and auditors for the period of nine months ended 31 December 2003;
2. To declare a final dividend;
3. To re-elect directors and to fix the remuneration of directors;
4. To re-appoint auditors and to authorise the board of directors to fix their remuneration; and
5. As special business, to consider and, if thought fit, pass with or without modifications the following resolutions as ordinary and/or special resolution(s) respectively:

ORDINARY RESOLUTIONS

- (1) **“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 upon the exercise of the subscription rights under any option scheme or similar arrangement for the grant or issue to employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company, shall not exceed 20 per cent. 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 law or the Bye-Laws of the Company to be held; and
- (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

“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 whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares 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).”

- (2) **“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 (the “Stock Exchange”) or on any other stock exchange on which the securities 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 the shares of the Company which the directors of the Company are authorised to repurchase pursuant to the approval in paragraph (a) above shall not exceed 10 per cent. 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 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 law or the Bye-Laws of the Company to be held; and
 - (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.”
- (3) “**THAT** subject to the passing of the resolutions no. (1) and (2) set out in item 5 in the notice convening this meeting, the general mandate granted to the directors of the Company to allot, issue and deal with additional shares pursuant to resolution no. (1) set out in item 5 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. (2) set out in item 5 in the notice convening this meeting, provided that such amount of shares so repurchased shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution.”

SPECIAL RESOLUTION

- (4) “**THAT** the Bye-Laws of the Company be and are hereby amended as follows:
- (a) By inserting the following new definition of “associate” immediately after the definition of “Act” in the existing Bye-Law 1:

““associate” the meaning attributed to it in the rules of the Designated Stock Exchange.”;
 - (b) By deleting the words “a recognised clearing house within the meaning of Section 2 of the Securities and Futures (Clearing Houses) Ordinance of Hong Kong or” from the definition of “clearing house” in the existing Bye-Law 1;
 - (c) By deleting the existing Bye-Law 2(e) in its entirety and substituting therefor the following new Bye-Law 2(e):

“2(e) expressions referring to writing shall, unless the contrary intention appears, be construed as including printing, lithography, photography and other modes of representing words or figures in a visible form, and including where the representation takes the form of electronic display, provided that both the mode of service of the relevant document or notice and the Member’s election comply with all applicable Statutes, rules and regulations;”;
 - (d) By inserting the words “, save for the use of share premium as expressly permitted by the Act,” after the words “share capital or” in, and deleting the words “in any manner permitted by law” from, the existing Bye-Law 6;
 - (e) By inserting the words “, in respect of any shares that are not fully paid,” after the words “held by him and” in the existing Bye-Law 43(1)(a);

- (f) By inserting the words “or by any means in such manner as may be accepted by the Designated Stock Exchange” after the words “any Designated Stock Exchange” in the existing Bye-Law 44;
- (g) By inserting the words “or in a form prescribed by the Designated Stock Exchange” after the words “common form” in the existing Bye-Law 46;
- (h) By inserting the words “, where applicable,” after the words “appointed newspaper and” and “or by any means in such manner as may be accepted by the Designated Stock Exchange” after the words “any Designated Stock Exchange” in the existing Bye-Law 51;
- (i) By re-numbering the existing Bye-Law 76 as Bye-Law 76(1);
- (j) By inserting the following paragraph as new Bye-Law 76(2):

“76(2) Where any Member is, under the rules of the Designated Stock Exchange, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such Member in contravention of such requirement or restriction shall not be counted.”;
- (k) By deleting the existing Bye-Law 84(2) in its entirety and substituting therefor the following new Bye-Law 84(2):

“84(2) Where a Member is a clearing house (or its nominee(s) and, in each case, being a corporation), it may authorise such persons as it thinks fit to act as its representatives at any meeting of the Company or at any meeting of any class of Members provided that the authorisation shall specify the number and class of shares in respect of which each such representative is so authorised. Each person so authorised under the provisions of this Bye-Law shall be deemed to have been duly 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(s)) as if such person was the registered holder of the shares of the Company held by the clearing house (or its nominee(s)) in respect of the number and class of shares specified in the relevant authorisation including the right to vote individually on a show of hands.”;
- (l) By deleting the word “special” in the second line of the existing Bye-Law 86(4) and replacing it with the word “ordinary”;
- (m) By deleting the words “not later than the latest date for lodgment of the aforesaid Notices which shall be the seventh (7th) day prior to the date appointed for the meeting” in the last sentence of the existing Bye-Law 88 and substituting therefor the following proviso:

“provided that the minimum length of the period, during which such Notice(s) are given, shall be at least seven (7) days and that the period for lodgment of such Notice(s) shall commence no earlier than the day after the dispatch 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.”;
- (n) By deleting the words “whereupon the Board resolves to accept such resignation” in the second line of the existing Bye-Law 89A(1);

- (o) By deleting the existing Bye-Law 103 in its entirety and substituting therefor the following new Bye-Law 103:

“103(1) A Director shall not vote (nor be counted in the quorum) on any resolution of the Board approving any contract or arrangement or any other proposal in which he or any of his associates is materially interested, but this prohibition shall not apply to any of the following matters namely:

- (i) any contract or arrangement for the giving by the Company or any of its subsidiaries of any security or indemnity to the Director or his associate(s) in respect of money lent by him or any of his associates or obligations incurred or undertaken by him or any of his associates at the request of or for the benefit of the Company or any of its subsidiaries;
- (ii) any contract or arrangement for the giving by the Company or any of its subsidiaries of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (iii) any contract or arrangement by a Director or his associate(s) to subscribe for shares or debentures or other securities of the Company or any of its subsidiaries to be issued pursuant to any offer or invitation to the members or debenture holders or to the public which does not provide the Director or his associate(s) any privilege not accorded to any other members or debenture holders or to the public;
- (iv) any contract or arrangement or proposal concerning an offer of the shares or debentures or other securities of or by the Company or any of its subsidiaries 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;
- (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 or any of its subsidiaries by virtue only of his/their interest in shares or debentures or other securities of the Company or any of its subsidiaries;
- (vi) any contract, arrangement or proposal concerning any company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or a shareholder or in which he and/or his associate(s) is/are beneficially interested in shares of that company provided that the Director and/or his associate(s) is/are not beneficially interested in five (5) per cent. or more of the issued shares or of the voting rights of any class of shares of such company (or any third company through which his interest or that of any of his associates is derived);

- (vii) any proposal or arrangement for the benefit of employees of the Company or its subsidiaries or its associated companies including the adoption, modification or operation of a pension fund or retirement, death or disability benefit scheme which relates both to directors, his associates and employees of the Company or of any of its subsidiaries or its associated companies and does not give the Director, or his associate(s), any privilege or advantage not accorded to the employees to whom such scheme or fund relates; or
 - (viii) any proposal concerning the adoption, modification or operation of any share scheme, involving the issue or grant of options over shares or other securities by the Company to, or for the benefit of the employees of the Company or its subsidiaries or its associated companies under which the Director or his associate(s) may benefit.
- (2) A company shall be deemed to be a company in which a Director and/or his associate(s) has an interest of five (5) per cent. or more if and so long as (but only if and so long as) he and/or his associates, (either directly or indirectly) is/are the holder(s) of or beneficially interested in five (5) per cent. or more of the issued shares of any class of the equity share capital of such company or of the voting rights available to members of such company (or of any third company through which his interest or that of any of his associates is derived). For the purpose of this paragraph there shall be disregarded any shares held by a Director or his associate(s) as bare or custodian trustee and in which he or any of them has no beneficial interest, any shares comprised in a trust in which the interest of the Director or his associate(s) is/are 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 and any shares which carry no voting right at general meetings and very restrictive dividend and return of capital right.
- (3) Where a company in which a Director and/or his associate(s) has an interest of five (5) per cent. or more is materially interested in a transaction, then that Director and/or his associate(s) shall also be deemed materially interested in such transaction.
- (4) If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the chairman of the meeting) or as to the entitlement of any Director (other than such chairman) to vote or be counted in the quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, such question shall be referred to the chairman of the meeting and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director concerned as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the chairman of the meeting such question shall be decided by a resolution of the Board (for which purpose such chairman shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman as known to such chairman has not been fairly disclosed to the Board.”; and

- (p) By inserting the words “or electronic” after the words “or facsimile” in the first line of the existing Bye-Law 163.’

By Order of the Board

LI Tung Wing, Mike
Company Secretary

Hong Kong, 28 April 2004

Head Office and Principal Place of Business in Hong Kong:
25th Floor
New World Tower
16-18 Queen’s Road Central
Hong Kong

Notes:

1. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A member of the Company who is the holder of two or more Shares may appoint more than one proxy to represent him/her and vote on his/her behalf at the meeting.
2. A proxy need not be a member of the Company.
3. In order to be valid, the form of proxy together with (if required by the Board) the power of attorney or other authority (if any) under which it is signed or a notarally certified copy of such power or authority, must be lodged with the Company’s Branch Share Registrars in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
4. Delivery of a form of proxy shall not preclude a member of the Company from attending and voting in person at the meeting convened and in such event, the form of proxy shall be deemed to be revoked.

As at the date of this Notice of Annual General Meeting, the Executive Directors of the Company comprise Dr. Cheng Kar Shun, Henry (Chairman), Mr. Lo Lin Shing, Simon (Deputy Chairman), Mr. Doo Wai Hoi, William (Deputy Chairman), Mr. Wong Shiu Hoi, Peter (Managing Director), Mr. Lee Yiu Wing, William, Mr. Chan Chi On, Derek and Mr. Luo Gang; and the Non-executive Directors of the Company comprise Mr. Chan Wing Luk, Mr. To Hin Tsun, Gerald, Mr. Ho Hau Chong, Norman, Mr. Chan Kam Ling, Mr. Wong Kwok Kin, Andrew, Mr. Lam Wai Hon, Patrick, Mr. Cheung Wing Yui, Edward* and Mr. Wei Chi Kuan, Kenny*.

* *Independent Non-executive Director*