

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (the “Meeting”) of Pak Tak International Limited (the “Company”) will be held at Units 404-411, 4th Floor, Fanling Industrial Centre, 21 On Kui Street, On Lok Tsuen, Fanling, New Territories, Hong Kong on Monday, 23rd August, 2004 at 11:00 a.m. for the purposes of transacting the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited consolidated financial statements and the reports of the directors (the “Directors”) and auditors of the Company and its subsidiaries for the year ended 31st March, 2004.
2. (a) To re-elect the retiring Directors;

(b) To authorise the Board of Directors to fix their remuneration.
3. To re-appoint the retiring auditors and authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass the following resolutions with or without amendments as ordinary resolutions:
 - (A) **“THAT:**
 - (1) a general mandate be and is hereby unconditionally given to the Board of Directors of the Company during the Relevant Period to issue, allot or otherwise deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers, subject to the following conditions:
 - (a) such mandate shall not extend beyond the Relevant Period save that the Board of Directors of the Company may during the Relevant Period make or grant offers, agreements and options which might require the exercise of such powers to allot, issue and deal with additional shares in the capital of the Company at any time during or after the end of the Relevant Period; and

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(b) the aggregate nominal amount of shares in the capital of the Company which may be allotted, issued or otherwise dealt with by the Board of Directors of the Company pursuant to such mandate, otherwise than pursuant to (i) a Rights Issue; or (ii) the exercise of rights of subscription or conversion under the terms of any warrants or other securities issued by the Company carrying a right to subscribe for or purchase shares of the Company; or (iii) the exercise of any option under any share option scheme of the Company adopted by its shareholders or similar arrangement for the grant or issue to employees of the Company and/ or any of its subsidiaries of options to subscribe for or rights to acquire shares of the Company; or (iv) any scrip dividend or other similar scheme implemented in accordance with the Bye-laws of the Company, shall not exceed 20 per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution no. 4(A); and

(2) for the purpose of this Resolution no. 4(A):

“Relevant Period” means the period from the passing of this Resolution no. 4(A) until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by its Bye-laws or any applicable laws of Bermuda to be held; and
- (c) the revocation or variation of the authority given under this Resolution no. 4(A) by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Board of Directors of the Company to holders of shares on its Register of Members on a fixed record date in proportion to their then holdings of shares (subject to such exclusions or other arrangements as the Board of 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 applicable to the Company).”

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(B) **“THAT:**

- (1) a general mandate be and is hereby unconditionally given to the Board of Directors of the Company during the Relevant Period to exercise all powers of the Company to repurchase shares in the capital of the Company and to make offers, agreements and options which might require the exercise of such powers subject to the following conditions:
 - (a) the exercise of all powers pursuant to such mandate shall be subject to and in accordance with all applicable laws and requirements and regulations of the relevant stock exchange; and
 - (b) the aggregate nominal amount of shares in the share capital of the Company which may be repurchased pursuant to such mandate shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing Resolution no. 4(B); and
- (2) for the purposes of this Resolution no. 4(B):

“Relevant Period” means the period from the passing of this Resolution no. 4(B) until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by its Bye-laws or any applicable laws of Bermuda to be held; and
- (c) the revocation or variation of the authority given under this Resolution no. 4(B) by an ordinary resolution of the shareholders of the Company in general meeting.”

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(C) “**THAT** conditional upon the passing of the ordinary resolutions set out in items 4(A) and 4(B) in the notice convening this Meeting, the general mandate granted to the Board of Directors of the Company pursuant to the authority given in the resolution set out in item 4(A) in the notice convening this Meeting to issue, allot or otherwise deal with additional shares of the Company and to make or grant offers, agreements and options which might require the exercise of such powers during the Relevant Period (as defined in Resolution no. 4(A)) be and is hereby extended by the addition to the aggregate nominal amount of shares in the capital of the Company which may be issued, allotted or otherwise dealt with pursuant to such general mandate of an amount representing the aggregate nominal amount of shares in the capital of the Company repurchased by the Board of Directors of the Company pursuant to their exercise of the powers of the Company to repurchase such shares in accordance with the ordinary resolution set out in item 4(B) in the notice convening this Meeting.”

5. To consider and, if thought fit, to pass the following resolutions with or without amendments as special resolutions:

“**THAT** the Bye-laws of the Company be amended as follows:

(A) By re-numbering the existing Bye-law 76 as Bye-law 76. (1) and by inserting the following new Bye-law 76. (2):

(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.

(B) By substituting the existing Bye-law 88 with the following new Bye-law 88:

88. No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless during a period of at least seven (7) days commencing no earlier than the day after the despatch of the notice of the general meeting appointed for such election and ending no later than seven (7) days prior to the date appointed for the general meeting there shall have been lodged at the head office or at the Registration Office Notice in writing signed by a Member (other than the person to be proposed) duly qualified to attend and vote at the meeting of his intention to propose such person for election and also Notice in writing signed by the person to be proposed of his willingness to be elected.

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(C) By substituting the existing Bye-law 103 with 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) the giving to such Director or his associates any security or indemnity in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries;
 - (ii) the giving 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 associates has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
 - (iii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or his associates is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
 - (iv) any proposal concerning any other company in which the Director or his associates is/are interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the Director or his associates is/are beneficially interested in shares of that company, provided that the Director and any of his associates are not in aggregate beneficially interested in five (5) per cent. or more of the issued shares of any class of such company (or of any third company through which his interest or that of his associates is derived) or of the voting rights;
 - (v) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which the Director or his associates may benefit; or the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to Directors, his associates and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director, or his associates, as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; or

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- (vi) any contract or arrangement in which the Director or his associates is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.
- (2) For the purpose of sub-paragraph (iv) of Bye-law 103.(1) there shall be disregarded any shares held by a Director or his associate 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 associates is in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust scheme in which the Director or his associate is interested only as a unit holder.
- (3) Where a company in which a Director and/or his associates holds five (5) per cent. or more of any class of equity share capital of such company or of the voting rights available to members of such company is/are materially interested in a transaction, then that Director and/or his associates 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 his associates or as to the entitlement of any Director (other than such chairman) to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, 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 and/or his associates 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.
- (5) Throughout this Bye-law, “associates”, in relation to any Director, shall mean:–
 - (i) his spouse;
 - (ii) any child or step-child, natural or adopted, under the age of 18 years of such Director or of his spouse (together with (i) above, the “family interests”);

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- (iii) the trustees, acting in their capacity as such trustees, of any trust of which he or any of his family interests is a beneficiary or, in the case of a discretionary trust, is (to his knowledge) a discretionary object and any company (“trustee-controlled company”) in the equity capital of which the trustees, acting in their capacity as such trustees, are directly or indirectly interested so as to exercise or control the exercise of 30% (or such other amount as may from time to time be specified in the rules, regulations or codes of any Designated Stock Exchange being the level for triggering a mandatory general offer) or more of the voting power at general meetings, or to control the composition of a majority of the board of directors and any other company which is its subsidiary (together, the “trustee interests”);
- (iv) a holding company of a trustee-controlled company or a subsidiary of any such holding company; and
- (v) any company in the equity capital of which he, his family interests, any of the trustees referred to in (iii) above, acting in their capacity as such trustees, and/or any trustee interests taken together are directly or indirectly interested so as to exercise or control the exercise of 30% (or such other amount as may from time to time be specified in the rules, regulations or codes of any Designated Stock Exchange being the level for triggering a mandatory general offer) or more of the voting power at general meetings, or to control the composition of a majority of the board of directors and any other company which is its subsidiary or holding company or a fellow subsidiary of any such holding company.”

On behalf of the Board

Cheng Chi Tai

Chairman

Hong Kong, 22nd July, 2004

NOTICE OF ANNUAL GENERAL MEETING

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Principal place of business in Hong Kong:

Units 404-411, 4th Floor
Fanling Industrial Centre
21 On Kui Street, On Lok Tsuen
Fanling, New Territories
Hong Kong

Notes:

- (1) A member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies (if a member who is the holder of two or more shares) to attend and vote in his stead. A proxy need not be a member of the Company.
- (2) To be valid, the form of proxy together with the power of attorney (if any) or other authority (if any) under which it is signed or a certified copy of such power or authority must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Standard Registrars Limited, at Ground Floor, BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or any adjourned Meeting. Completion and delivery of the form of proxy will not preclude you from attending and voting at the Meeting if you so wish.
- (3) The Register of Members of the Company will be closed from 18th August, 2004 (Wednesday) to 23rd August, 2004 (Monday), both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attending the Meeting, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Standard Registrars Limited, at Ground Floor, BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong for registration not later than 4:00 p.m. on 17th August, 2004 (Tuesday).
- (4) A circular containing information concerning Resolutions 4(B) and 5 will be dispatched to the members of the Company together with the 2004 annual report of the Company.