

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting (the “Meeting”) of New Smart Holdings Limited (the “Company”) will be held at Units 903-905A, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong on Wednesday, 8th June 2005 at 4:00 p.m. for the following purposes:-

1. To receive and consider the audited financial statements and the reports of the directors and auditors for the year ended 31st December 2004.
2. To re-elect the retiring Directors.
3. To re-appoint Auditors and authorise the Board of Directors to fix their remuneration.
4. As Special Business, to consider and, if thought fit, to pass with or without modification 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 and to make or grant offers, agreements and options which might require the exercise of such power be generally and unconditionally approved;
- (b) the approval in paragraph (a) shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options which 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 (i) a Rights Issue (as hereinafter defined); (ii) the exercise of options granted under any share option scheme adopted by 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 Articles of Association of the Company, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue 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 the Articles of Association of the Company or any applicable law to be held; or

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- (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders in 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 or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion 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, Hong Kong or any territory outside Hong Kong).”;

(B) **“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 purchase shares of the Company, subject to and in accordance with all applicable laws and requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, be generally and unconditionally approved;
- (b) the aggregate nominal amount of shares which may be purchased on The Stock Exchange of Hong Kong Limited or any other stock exchange on which the securities of the company may be listed and which is recognised for this purpose by the Securities and Futures Commission of Hong Kong and The Stock Exchange of Hong Kong Limited under the Hong Kong Code on Share Repurchases pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue 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 the Articles of Association of the Company or any applicable law to be held; or
- (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders in general meeting.”; and

- (C) **“THAT** conditional upon the passing of Resolutions 4(A) and 4(B) as set out in this notice convening the Meeting of which this Resolution forms part, the general mandate granted to the Directors of the Company pursuant to Resolution 4(A) as set out in this notice convening the Meeting of which this

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Resolution forms part be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of share capital of the Company purchased by the Company under the authority granted pursuant to Resolution 4(B) as set out in this notice convening the Meeting of which this Resolution forms part, provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this Resolution.”.

By Order of the Board
Sherman K C Lee
Company Secretary

Hong Kong, 26 April 2005

Notes:

1. The Register of Members of the Company will be closed from Monday, 6th June 2005 to Wednesday, 8th June 2005, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attending the forthcoming Annual General Meeting, all duly completed and signed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Share Registrars, Standard Registrars Limited at 28/F, BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong no later than 4:00 p.m. on Friday, 3rd June 2005.
2. Any member entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company.
3. To be valid, the form of proxy, together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the office of the Company's Share Registrars, Standard Registrars Limited at the abovesaid address not less than 48 hours before the time appointed for holding the meeting or adjourned meeting thereof.
4. With reference to Resolution 2 set out in this Notice, Miss Chow Sim Chu, Shirley and Ms Kwok Wai Ming are due to retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election pursuant to Articles 104, 105 and 110 of the Company's Articles of Association. Miss Chow and Ms Kwok have not entered into any service contract with the Company. The details of Miss Chow and Ms Kwok are set out in a circular which will be sent to members together with the Company's 2004 Annual Report.
5. With reference to Resolutions 4(A) to 4(C) set out in this Notice, the Directors wish to state that they have no immediate plans to repurchase any existing shares or to issue any new shares pursuant to the relevant mandate. An explanatory statement containing further details regarding the general mandate to repurchase shares as referred to in Resolution 4(B) is set out in a circular which will be sent to members together with the Company's 2004 Annual Report.