



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of E. Bon Holdings Limited ("the Company") will be held at Gemini & Libra Rooms, Level 33, 8 Shelter Street, Rosedale On the Park, Causeway Bay, Hong Kong on Thursday, 16 September 2004 at 10:00 a.m for the following purposes:-

1. To receive and consider the audited consolidated financial statements, the report of the directors and the report of auditors for the year ended 31 March 2004;
2. To re-elect Directors and authorize the Board of Directors to fix the Directors' remuneration;
3. To re-appoint Auditors and to authorize the Board of Directors to fix their remuneration;
4. As special business, to consider and, if thought fit, pass with or without amendments the following resolution as an Ordinary Resolution:-
"THAT:
(a) subject to paragraph (b) of this Resolution, the exercise by the directors of the Company ("Directors") 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 ("Shares") on The Stock Exchange of Hong Kong Limited be and is hereby generally and unconditionally approved;
(b) the aggregate nominal amount of the Shares to be repurchased pursuant to the approval in paragraph (a) of this Resolution shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this Resolution and the said approval shall be limited accordingly; and for the purpose 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 revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders of the Company in general meeting; and
(iii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws of the Cayman Islands or the articles of association of the Company to be held."
(c) As special business, to consider and, if thought fit, pass with or without amendments the following resolution as an Ordinary Resolution:-
"THAT:
(a) subject to paragraph (c) of this Resolution, the exercise by the Directors 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 ("Shares") or securities convertible into Shares 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;
(b) the approval in paragraph (a) of this Resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power during or after the end of the Relevant Period;
(c) the aggregate nominal amount of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) the exercise of rights of subscription or conversion under the terms of any warrants or other securities issued by the Company as at the date of this Resolution carrying a right to subscribe for or purchase Shares or otherwise convertible into Shares; or (iii) the exercise of the subscription rights under the share option schemes of the Company, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this Resolution and the said approval shall be limited accordingly;
(d) for the purpose 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 following the passing of this Resolution;
(ii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders of the Company in general meeting; and
(iii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws of the Cayman Islands or the articles of association of the Company to be held."

"Rights Issue" means an offer of Shares open for a period fixed by the Directors to holders of Shares 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 (subject to such exclusions or other arrangements as the Directors 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)."

6. As special business, to consider and, if thought fit, pass with or without amendments the following resolution as an Ordinary Resolution:
"THAT subject to the passing of Ordinary Resolutions numbered 4 and 5 above, the general mandate granted to the Directors pursuant to Ordinary Resolution numbered 5 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 Ordinary Resolution numbered 4, provided that such amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this Resolution."
7. As special business, to consider and, if thought fit, pass the following resolution as a Special Resolution of the Company:-

SPECIAL RESOLUTION

"THAT the Articles of Association of the Company be and are hereby amended in the following manner:-

- (a) Article 2(1)
(i) By inserting the following new definition of "associates" immediately after the definition of "Articles" in existing Article 2(1):
"associates" shall have the meaning attributed to it in the rules of the Designated Stock Exchange."
(ii) 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 existing Article 2(1).
- (b) Article 12 By substituting in Article 12(1), the words "Subject to the Law, these Articles" with the following words:-
"Subject to the Law, these Articles, any direction that may be given by the Company in general meeting";
- (c) Article 44 By inserting the words "or by other means in such manner as may be accepted by the Designated Stock Exchange" after the words "any Designated Stock Exchange" in the eighth line of existing Article 44;
- (d) Article 46 By inserting the words "or in a form prescribed by the Designated Stock Exchange" after the words "common form" in the second line of existing Article 46;
- (e) Article 48 By inserting the words "of share (not being a fully paid up share)" after the word "transfer" in the first line of paragraph (2) of existing Article 48;
- (f) Article 51 By inserting the words "or by other means" after the words "any other newspapers" in the second line of existing Article 51;
- (g) Article 66 By adding the words "unless a poll is taken as may from time to time be required under the rules of any Designated Stock Exchange or" immediately before the words "unless" in the eleventh line of the first paragraph of Article 66;
- (h) Article 67 By adding the words "a poll is so taken as required under the rules of any Designated Stock Exchange or unless" immediately after the word "Unless" in the first line of Article 67;
- (i) Article 76 By re-lettering the Article 76 as paragraph (1) of the Article 76 and adding the following new paragraph (2) to the Article 76:-
"(2) Where the Company has actual knowledge that any Member is, under the applicable Statutes and/or the rules and regulations 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.";
- (j) Article 87 By deleting the following words after the word "rotation" in the third line of paragraph (1) of existing Article 87:-
"provided that notwithstanding anything herein, the chairman of the Board and/or the managing director of the Company shall not, whilst holding such office, be subject to retirement by rotation or be taken into account in determining the number of Directors to retire in each year";
- (k) Article 88 By deleting the existing Article 88 in its entirety and substituting therefor the following new Article:
"88. No person, other than a retiring Director, shall, unless recommended by the Director for election, be eligible for election to the office of Director at any general meeting, unless Notice by a Member (other than the person

to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election as a Director and also a Notice signed by the person to be proposed of his willingness to be elected shall have been given to the Company or lodged at the head office or at the Registration Office provided that the minimum length of the period, during which such notices are given, shall be at least seven (7) days. The period for lodgment of such notices will commence no earlier than the day after the despatch of the notice of the meeting appointed for such election and end no later than seven (7) days prior to the date of such meeting.";

- (l) Article 103 By deleting Article 103 in its entirety and substituting the following new Article 103:-

"(1) A Director shall not vote (nor be counted in the quorum) on any resolution of the Board in respect of any contract or arrangement or any other proposal in which he or any of his associates is to the knowledge of such Director 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 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 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/himself 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 contract or arrangement or proposal concerning an offer of the 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 associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (iv) 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 by virtue only of his/their interest in shares or debentures or other securities of the Company;
- (v) any contract, arrangement or proposal concerning any other 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 the Director 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 in aggregate 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 of any third company through which his interest or that of any of his associates is derived); or
- (vi) any proposal concerning the benefit of employees of the Company or its subsidiaries including the adoption, modification or operation of a share option scheme, under which the director or his associate(s) may benefit or the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme or other arrangement which relates both to directors, his associate(s) and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or his associate(s) as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates.

- (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 his associate(s) 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 and/or his associate(s) 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) The Company may by ordinary resolution ratify any transaction not duly authorised by reason of a contravention of this Article provided that no Director who is or whose associate(s) is/are materially interested in such transaction, together with any of his associates, shall vote upon such ordinary resolution in respect of any shares in the Company in which they are interested.";

- (m) Article 153

- (i) By deleting the first sentence of the existing Article 153(1) and substituting the following new first sentence:-
"At the annual general meeting or at a subsequent extraordinary general meeting in each year, the Members shall appoint an auditor to audit the accounts of the Company and such auditor shall hold office until the next annual general meeting.";
- (ii) By deleting the existing Article 153(2) and re-numbering the existing Article 153(3) as Article 153(2).

- (n) Article 156 By deleting the words "as soon as practicable convene an extraordinary general meeting to fill the vacancy" and substituting therewith the following words "fill the vacancy and fix the remuneration of the Auditor so appointed".

and THAT the Directors of the Company be and hereby authorized to do all such acts, deeds and things as they shall, in their absolute discretion, deem fit in order to effect and complete any of the foregoing.

Hong Kong, 28 July 2004

Registered office:

Century Yard, Cricket Square, Hutchins Drive, George Town, Grand Cayman, British West Indies.

Head office and principal place of business:-

16th-18th Floor, First Commercial Building, 33 Leighton Road, Causeway Bay, Hong Kong.

Notes:

- (a) A Member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote on his behalf. A proxy need not be a Member of the Company.
- (b) To be valid, a form of proxy and the power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority, must be lodged with the Company's branch registrars in Hong Kong, Abacus Share Registrars 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 for holding the Meeting.
- (c) An explanatory statement containing further details regarding Resolutions numbered 4 to 6 above will be sent to shareholders together with the 2004 Annual Report.
- (d) With regard to item no.2 in this notice, the Board of Directors of the Company proposes that the retiring Directors, namely Messrs. WONG Tin Cheung, Ricky, WONG Wah, Dominic, and YICK Kai Chung, be re-elected as Directors of the Company. Details of the said retiring Directors are set out in the Appendix I of the circular to shareholders dated 28 July 2004.

As at the date hereof, the Board comprises nine Directors, of which six are Executive Directors, namely Messrs. TSE Sun Fat, Henry, TSE Sun Po, Tony, TSE Sun Lung, Alan, WONG Tin Cheung, Ricky, LAU Shiu Sun and YICK Kai Chung, and one is Non-Executive Director, namely MAK So and two are Independent Non-Executive Directors, namely Messrs. LEUNG Kwong Kin, JP and WONG Wah, Dominic.

By Order of the Board
IP Fu Wa, Benthony
Secretary