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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker, or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Hua Xia Healthcare Holdings Limited (the “Company”), you should at once hand this circular and accompanying form of proxy to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) 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 losses howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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**HUA XIA HEALTHCARE HOLDINGS LIMITED** <sup>(Note)</sup>

**華夏醫療集團有限公司\***

*(Formerly known as GRANDY CORPORATION 泓迪有限公司\*)*

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8143)**

### **PROPOSED GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES, PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT, PROPOSED RE-ELECTION OF RETIRING DIRECTORS, PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening an annual general meeting (the “AGM”) of the Company to be held on Thursday, 31 August 2006 at 11:00 a.m. at Room 1902, 19th Floor, Sing Pao Building, No. 101 King’s Road, North Point, Hong Kong is set out on pages 22 to 28 of this circular. A form of proxy for the AGM is enclosed with this circular. Whether or not you are able to attend the AGM, you are encouraged to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the principal place of business of the Company at Room 1902, 19th Floor, Sing Pao Building, No. 101 King’s Road, North Point, Hong Kong as soon as possible and in any event no later than 48 hours before the time appointed for the holding of the AGM. Completion and return of the enclosed form of proxy will not preclude you from attending and voting in person at such meeting or any adjournment meeting should you so wish.

*This circular will remain on the “Latest Company Announcements” page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least seven days from the date of its posting and the website of the Company at [www.grandy.com.hk](http://www.grandy.com.hk).*

8 August 2006

*Note:* The Company is renamed as Hua Xia Healthcare Holdings Limited following the passing of a special resolution at the Company’s extraordinary general meeting held on 12 July 2006 and being registered by the Registrar of Companies in the Cayman Islands, the certificate of the change of the Company’s name was received on 3 August 2006. The registration of the change of the Company’s name at the Companies Registry in Hong Kong is under processed.

\* for identification purpose only

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## CHARACTERISTICS OF GEM

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GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the main board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. GEM-listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website at [www.hkgem.com](http://www.hkgem.com) in order to obtain up-to-date information on GEM-listed issuers.

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## CONTENTS

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	<i>Page</i>
<b>DEFINITIONS</b> .....	1
 <b>LETTER FROM THE BOARD</b>	
A.    INTRODUCTION .....	5
B.    PROPOSED GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES .....	6
C.    EXPLANATORY STATEMENT .....	7
D.    DIRECTORS PROPOSED TO BE RE-ELECTED .....	7
E.    REFRESHMENT OF SCHEME MANDATE LIMIT .....	7
F.    AMENDMENTS TO THE ARTICLES OF ASSOCIATION .....	10
G.    ANNUAL GENERAL MEETING .....	12
H.    PROCEDURES FOR DEMANDING A POLL AT GENERAL MEETING ....	12
I.    SHAREHOLDERS ABSTAIN FROM VOTING .....	13
J.    RESPONSIBILITY STATEMENT .....	13
K.    RECOMMENDATION .....	13
 <b>APPENDIX I – EXPLANATORY STATEMENT</b> .....	14
 <b>APPENDIX II – DETAILS OF THE RETIRING DIRECTORS                     PROPOSED TO BE RE-ELECTED</b> .....	19
 <b>NOTICE OF THE ANNUAL GENERAL MEETING</b> .....	22

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## DEFINITIONS

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

“AGM”	the annual general meeting of the shareholders of the Company to be held at Room 1902, 19/F., Sing Pao Building, No. 101 King’s Road, North Point, Hong Kong on Thursday, 31 August 2006, at 11:00 a.m., a notice of which is set out on pages 22 to 28 of this circular
“Adjustments”	adjustments in relation to the Pre-IPO Scheme, Share Option Scheme and Convertible Notes, upon the Rights Issue becoming unconditional, as detailed in section 8 of the appendix to the Prospectus Document
“Articles of Association”	articles of association of the Company adopted pursuant to the written resolutions of the then shareholders of the Company passed on 20 April 2002 and as amended from time to time
“associates”	have the same meaning as prescribed in the GEM Listing Rules
“Board”	board of Directors
“Company”	Hua Xia Healthcare Holdings Limited (formerly known as Grandy Corporation), a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on GEM of the Stock Exchange
“Convertible Notes”	the series of unsecured convertible notes issued by the Company in the aggregate principal amount of HK\$18,000,000 on 11 January 2006, details of which have been set out in the announcement of the Company dated 1 December 2005
“Director(s)”	the director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM

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## DEFINITIONS

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“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	4 August 2006, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“New General Mandate”	the general mandate proposed to be granted to the Directors at the AGM to allot, issue and otherwise deal with new Shares not exceeding 20% of the share capital of the Company in issue on the date of the passing of the relevant ordinary resolution
“Option(s)”	a right/rights granted to subscribe for Shares pursuant to the Pre-IPO Scheme and/or the Share Option Scheme
“Participants”	(i) employees of the Company (whether full-time or part time) or any of its subsidiaries or associated companies; (ii) directors (whether executive directors or non-executive directors or independent non-executive directors) of the Company or any of its subsidiaries or associated companies; (iii) suppliers of goods and/ or services to the Company or any of its subsidiaries or associated; (iv) customers of the Company or any of its subsidiaries or associated companies; (v) any person or entity that provides research, development or other technological support to the Company or any of its subsidiaries or associated companies; and (vi) any shareholder of any member of the Group or any of its subsidiaries or associated companies or any holder of any securities issued by any member of the Group or any of its subsidiaries or associated companies
“Pre-IPO Scheme”	the share option scheme adopted by the Company on 20 April 2002 which came into effect prior to the initial listing of the Shares on GEM on 10 May 2002

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## DEFINITIONS

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“Prospectus Documents”	the prospectus and other corresponding forms despatched on 27 March 2006 to the Shareholders in relation to the Rights Issue of 172,465,166 Rights Shares at HK\$0.06 per Right Share on the basis of one Rights Share for every two existing shares of the Company held on the Record Date (as defined in the Prospectus Documents)
“Repurchase Mandate”	a general and unconditional mandate to be granted to the Directors at the AGM to exercise all powers of the Company to repurchase Shares up to a maximum of 10% of the issued share capital of the Company as at the date of passing of the relevant resolution granting such mandate
“Rights Issue”	the proposed issue of Rights Shares on the basis of one Rights Share for every two then existing Shares to qualifying shareholders (as defined in the Prospectus Document) by way of rights or to holders of nil-paid Rights Shares at the Subscription Price (as defined in the Prospectus Document), pursuant to the terms and conditions of the Rights Issue
“Rights Share(s)”	172,465,166 Rights Shares to be issued pursuant to the Rights Issue
“Scheme Mandate Limit”	the maximum number of Shares which may be issued upon exercise of all of the Options which shall not in aggregate exceed 10% of the Shares in issue as at the date of adoption of the Share Option Scheme and thereafter, if refreshed shall not exceed 10% of the shares in issue as at the date of approval of the refreshed limit by the Shareholders
“SFO”	the Hong Kong Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Option Scheme”	the share option scheme adopted by the Company on 20 April 2002 which came into effect after the initial listing of the Shares on GEM on 10 May 2002
“Share Consolidation”	the consolidation of every five shares of HK\$0.01 each in the then issued and unissued share capital of the Company into one consolidated Share of HK\$0.05 in the issued and unissued share capital of the Company (which was approved by the shareholders at the extraordinary general meeting held on 11 May 2005)

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## DEFINITIONS

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“Shareholder(s)”	holder/holders of the Shares
“Shares”	ordinary shares of HK\$0.05 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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## LETTER FROM THE BOARD

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# HUA XIA HEALTHCARE HOLDINGS LIMITED <sup>(Note)</sup>

## 華夏醫療集團有限公司\*

(Formerly known as GRANDY CORPORATION 泓迪有限公司\*)

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8143)

*Executive Directors:*

Mr. Yung Kwok Leong

Ms. Shum Ngai Pan

Mr. Chen Jin Shan

Mr. Weng Jiaying

*Independent non-executive Directors:*

Mr. Chan Francis Ping Kuen

Mr. Hsu Shiu Foo, William

Mr. Yu Chai Mei

*Registered office:*

Century Yard

Cricket Square

Hutchins Drive

P.O. Box 2681 GT

George Town

Grand Cayman

British West Indies

*Head office and principal place  
of business in Hong Kong:*

Room 1902, 19th Floor

Sing Pao Building

No. 101 King's Road

North Point

Hong Kong

8 August 2006

*To the Shareholders, holders of Convertible Notes and warrants*

Dear Sir or Madam,

**PROPOSED GENERAL MANDATES TO  
ISSUE AND REPURCHASE SHARES,  
PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT,  
PROPOSED RE-ELECTION OF RETIRING DIRECTORS,  
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION  
AND NOTICE OF ANNUAL GENERAL MEETING**

**A. INTRODUCTION**

The purpose of this circular is to provide you with information regarding certain resolutions to be proposed at the forthcoming AGM of the Company to be held on Thursday, 31 August 2006 including but not limited to (i) ordinary resolutions relating to the grant of general mandates to the Directors for the issue and repurchase of Shares; (ii) ordinary resolution relating to the re-election

*Note:* The Company is renamed as Hua Xia Healthcare Holdings Limited following the passing of a special resolution at the Company's extraordinary general meeting held on 12 July 2006 and being registered by the Registrar of Companies in the Cayman Islands, the certificate of the change of the Company's name was received on 3 August 2006. The registration of the change of the Company's name at the Companies Registry in Hong Kong is under processed.

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## LETTER FROM THE BOARD

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of the retiring Directors; (iii) ordinary resolution relating to the approval of refreshment of the 10% Scheme Mandate Limit for the grant of Options under the Share Option Scheme; and (iv) special resolution relating to the amendments to the Articles of Association.

### **B. PROPOSED GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES**

At the AGM, an ordinary resolution will be proposed such that the Directors be given a New General Mandate to allot, issue and deal with Shares up to a limit equal to 20% of the issued share capital of the Company as at the date of passing of such resolution. Another ordinary resolution will be proposed to increase the 20% limit by the number of Shares repurchased by the Company of up to a maximum of 10% of the issued share capital of the Company as at the date of passing of the relevant resolution.

As at the Latest Practicable Date, the number of issued Shares was 568,137,958 Shares. Assuming no Shares are repurchased or issued before the date of passing of the ordinary resolution giving the New General Mandate, the maximum number of Shares that may be issued under the New General Mandate will be 113,627,591 Shares.

At the AGM, an ordinary resolution will be proposed to grant to the Directors the Repurchase Mandate to repurchase the Shares on GEM. Under the Repurchase Mandate, the maximum number of Shares that the Company may repurchase shall not exceed 10% of the issued share capital of the Company in issue on the date of passing of the relevant resolution.

As at the Latest Practicable Date, the number of issued Shares was 568,137,958 Shares. Assuming no Shares are repurchased or issued before the date of passing of the ordinary resolution giving the Repurchase Mandate, the maximum number of Shares that may be repurchased will be 56,813,795 Shares.

The mandates will continue in force until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;

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## LETTER FROM THE BOARD

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- (b) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law of the Cayman Islands or the Articles of Association to be held; or
- (c) the date on which relevant mandate is revoked or varied by an ordinary resolution of the Shareholders in a general meeting.

### **C. EXPLANATORY STATEMENT**

An explanatory statement containing all relevant information relating to the Repurchase Mandate to be provided pursuant to the GEM Listing Rules, in particular Rule 13.08, is set out in Appendix I to this circular. The information in the explanatory statement is to provide you with the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolution relating to the Repurchase Mandate.

### **D. DIRECTORS PROPOSED TO BE RE-ELECTED**

In accordance with article 87(1) of the Articles of Association, Mr. Hsu Shiu Foo, William, the independent non-executive Director, shall retire from office at the AGM and, being eligible, will offer himself for re-election.

In accordance with article 86(3) of the Articles of Association, Ms. Shum Ngai Pan, Mr. Chen Jin Shan and Mr. Weng Jiaying, the executive Directors, will hold office until the conclusion of the AGM and, being eligible, will offer themselves for re-election.

Details of the aforesaid Directors who are proposed to be re-elected at the AGM are set out in the Appendix II to this circular.

### **E. REFRESHMENT OF SCHEME MANDATE LIMIT**

The Company adopted the Pre-IPO Scheme and the Share Option Scheme by way of written resolution of shareholders on 20 April 2002 (the "Adoption Date").

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## LETTER FROM THE BOARD

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At present, the Company has no other share option scheme apart from the Pre-IPO Scheme and the Share Option Scheme. A breakdown setting out the number of outstanding Options and their respective exercise price, both of which have been adjusted as a result of the Share Consolidation and the Rights Issue, and their respective exercise period under the Pre-IPO Scheme and Share Option Scheme as at the Latest Practicable Date is as follows:

### Pre-IPO Scheme

	Exercise period	Exercise price	Number of Options outstanding
Former employee and advisor of the Company	26 April 2002 to 9 May 2012	HK\$0.541	1,034,400

### Share Option Scheme

	Exercise period	Exercise price	Number of Options outstanding
<b>Directors</b>			
Yung Kwok Leong	13 July 2006 to 12 July 2016	HK\$0.83	2,450,000
Shum Ngai Pan	13 July 2006 to 12 July 2016	HK\$0.83	2,800,000
Weng Jiaxing	13 July 2006 to 12 July 2016	HK\$0.83	2,700,000
Chen Jin Shan	13 July 2006 to 12 July 2016	HK\$0.83	5,200,000
Employees and consultants of the Group	13 July 2006 to 12 July 2016	HK\$0.83	16,850,000
	24 July 2006 to 23 July 2016	HK\$0.82	12,500,000

As at the Latest Practicable Date, an aggregate of 43,534,400 Options, representing approximately 7.66% of the issued share capital of the Company, remain outstanding under the Pre-IPO Scheme and Share Option Scheme and that approximately 81.38% of the existing Scheme Mandate Limit has been utilised.

As at the date on which the shares of the Company were initially listed, there were 830,000,000 then shares of the Company in issue. Accordingly, the initial Scheme Mandate Limit under the Share Option Scheme allowed the Directors to grant Options to subscribe for up to 83,000,000 then issued shares of the Company, being 10% of the issued share capital of the Company at that time. 7,150,000 Options were granted out of the initial Scheme Mandate Limit conferring rights to subscribe for 7,150,000 then issued shares of the Company. Among these 7,150,000 Options, 5,000 Options were exercised in December 2003 and the remaining 7,145,000 Options were lapsed in May 2005. The un-utilised initial Scheme Mandate Limit under the Share Option Scheme allowed the Directors to grant further Options to subscribe for up to 75,850,000 then issued shares of the Company.

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## LETTER FROM THE BOARD

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Following the Share Consolidation, the remaining un-utilised initial Scheme Mandate Limit had been adjusted which allowed the Directors to grant further Options to subscribe for up to 15,170,000 Shares. In July 2005, 15,000,000 Options conferring rights to subscribe for 15,000,000 Shares were granted to Participants. These 15,000,000 Options had then further been adjusted as a result of the Rights Issue to become 16,098,750 Options to subscribe for 16,098,750 Shares. These 16,098,750 Options had all been exercised during the period October 2005 and April 2006.

The initial Scheme Mandate Limit was refreshed in May 2006 to allow the Directors to grant Options to subscribe for up to 52,224,424 Shares. A total of 42,500,000 Options were granted to Participants on 12 July 2006 and 24 July 2006. None of these Participants has been granted with Options exceeding the limit of 1% of the issued capital of the Company as set out in Rule 23.03 of the GEM Listing Rules. No further grant of Options has been made since then. As at the Latest Practicable Date, the Company might only make further grant of Options to subscribe for up to 9,724,424 Shares, representing approximately 18.62% of the existing Scheme Mandate Limit.

The remaining existing Scheme Mandate Limit will lapse upon the approval of refreshment thereof at the AGM.

Under the rules of the Share Option Scheme and subject to the GEM Listing Rules:

- (i) the initial limit on the maximum number of Shares that may be issued upon the exercise of the Options shall not exceed 10% of the shares of the Company in issue as at the Adoption Date;
- (ii) the Company may seek Shareholders' approval to renew the Scheme Mandate Limit on the grant of Options under the Share Option Scheme as and when required. However, the Scheme Mandate Limit as refreshed shall not exceed 10% of the Shares in issue as at the date of the aforesaid Shareholders' approval. Options previously granted under the Share Option Scheme and other share option schemes (including those outstanding, cancelled, lapsed in accordance with the Share Option Scheme or exercised Options) will not be counted for the purpose of calculating the Scheme Mandate Limit as renewed. A circular must be sent to Shareholders in connection with the meeting at which their approval will be sought;
- (iii) the Company may seek separate approval from the Shareholders in general meeting to grant Options beyond the Scheme Mandate Limit to Participants specifically identified by the Company before the aforesaid Shareholders' meeting where such approval is sought; and
- (iv) the overall limit on the number of Shares which may be issued upon the exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme and any other option schemes of the Company must not in aggregate exceed 30% of the total number of Shares in issue from time to time.

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## LETTER FROM THE BOARD

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The Directors consider that the Company should refresh the Scheme Mandate Limit so that the Company could have more flexibility to provide incentives to Participants by way of granting Options to them. If the Scheme Mandate Limit is again refreshed on the basis of 568,137,958 Shares in issue as at the Latest Practicable Date and assuming that no Shares are issued or repurchased by the Company prior to the AGM, the Company will be allowed to grant further Options under the Share Option Scheme of the Company carrying rights to subscribe for a maximum of 56,813,795 Shares (being 10% of the issued share capital of the Company as at the date of the AGM at which the refreshed limit is approved).

In this regard, the Company will seek approval from the Shareholders in the AGM for refreshing the Scheme Mandate Limit. The proposed refreshment of the Scheme Mandate Limit will be conditional upon the Listing Committee of GEM granting the listing of, and the permission to deal in, such number of Shares, representing 10% of the Shares in issue as at the date of the AGM which may fall to be allotted and issued pursuant to the exercise of the Options granted under the refreshed Scheme Mandate Limit. Application will be made to the Stock Exchange for the listing of and permission to deal in the Shares to be issued pursuant to the exercise of the Options granted under the Share Option Scheme up to the refreshed Scheme Mandate Limit.

As at the Latest Practicable Date, other than the Pre-IPO Scheme and Share Option Scheme, the Company has no other share option scheme in force. The Directors consider that the refreshment of the Scheme Mandate Limit is in the interests of the Group and the Shareholders as a whole. The refreshment of the Scheme Mandate Limit is in line with the purpose of the Share Option Scheme and is in compliance with Chapter 23 of the GEM Listing Rules.

### **F. AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

In order to bring the current Articles of Association in line with paragraph A.4.2 of Appendix 15 and paragraph 4(3) of the GEM Listing Rules, the Directors propose to put forward to the Shareholders for approval at the AGM a special resolution to amend the Articles of Association in the following manner:

- (i) By inserting the words “voting by way of a poll is required by the rules of the Designated Stock Exchange or” immediately after the words “on a show of hands unless” in the first paragraph in Article 66(1); and by deleting the full stop at the end of Article 66(d) and replacing it with a semi-colon and inserting the word “or” after the semi-colon.

Then by adding the following paragraph as Article 66(e) immediately after Article 66 (d):

- “(e) if required by the rules of the Designated Stock Exchange, by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five per cent. (5%) or more of the total voting rights at such meeting.”

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## LETTER FROM THE BOARD

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- (ii) By deleting the second sentence in Article 68 in its entirety and replacing therewith the following:

“The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the rules of the Designated Stock Exchange.”

- (iii) By deleting Article 86(2) in its entirety and replacing therewith the following:

86(2) The Company may from time to time in general meeting by ordinary resolution elect any person to be a Director either to fill a casual vacancy or as an additional Director. Any Director so appointed should be subject to election by Members at the first general meeting after their appointment and shall then be eligible for re-election.

- (iv) By deleting Article 86(3) in its entirety and replacing therewith the following:

86(3) The Board shall have power from time to time and at any time to appoint any person as Director either to fill a casual vacancy or as an additional Director. Any Director so appointed should be subject to election by members at the first general meeting after their appointment and shall then be eligible for re-election.

- (v) By deleting Article 86(5) in its entirety and replacing therewith the following:

86(5) The Company may by Ordinary Resolution remove any Director (including a managing Director or other executive Director) before the expiration of his term of office notwithstanding anything in these Articles or in any agreement between the Company and such Director (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company) and may elect another person in his stead.

- (vi) By deleting Article 87(1) in its entirety and replacing therewith the following:

87(1) Notwithstanding any other provisions in these Articles, at each annual general meeting, one-third of the Directors for the time being (or, if their numbers is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement at least once every three years. A retiring Director shall be eligible for re-election.

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## LETTER FROM THE BOARD

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### G. ANNUAL GENERAL MEETING

A notice of the AGM to be held at Room 1902, 19/F., Sing Pao Building, No. 101 King's Road, North Point, Hong Kong on Thursday, 31 August 2006 at 11:00 a.m. is set out on pages 22 to 28 of this circular.

A form of proxy for use at the AGM is enclosed with this circular. Whether or not you intend to present at the AGM, you are encouraged to complete the form of proxy and return it to the principal place of business of the Company at Room 1902, 19/F., Sing Pao Building, No. 101 King's Road, North Point, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time fixed for the meeting. The completion of a form of proxy will not preclude you from attending and voting at the meeting or any adjourned meeting in person.

### H. PROCEDURES FOR DEMANDING A POLL AT GENERAL MEETING

According to article 66(1) of the Articles of Association, a resolution put to the vote at a general meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (a) by the chairman of such meeting; or
- (b) by at least three Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorized representative or by proxy for the time being entitled to vote at the meeting; or
- (c) by a Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorized representative or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or
- (d) by a Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares 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.

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## LETTER FROM THE BOARD

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### **I. SHAREHOLDERS ABSTAIN FROM VOTING**

None of the Shareholders is required to abstain from voting in respect of the resolutions to be proposed at the AGM.

### **J. RESPONSIBILITY STATEMENT**

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief (i) the information contained in this circular is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this circular misleading; and (iii) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

### **K. RECOMMENDATION**

The Directors consider that the New General Mandate to issue Shares, the refreshment of 10% Scheme Mandate Limit for the grant of Options under the Share Option Scheme (for reason of providing flexibility for granting Options to Participants), the Repurchase Mandate to repurchase Shares (for enhancing the net asset value per Share and/or earnings per Share), the re-election of Directors and the amendments to the Articles of Association are all in the interests of the Company and the Shareholders and the Directors recommend all Shareholders to vote in favour of the resolutions to be proposed at the forthcoming AGM.

Yours faithfully,

On behalf of the Board

**Hua Xia Healthcare Holdings Limited**

**Yung Kwok Leong**

*Chairman*



*This is an explanatory statement given to all Shareholders relating to the resolution to be proposed at the AGM authorizing the Repurchase Mandate. It contains all relevant information required pursuant to Rule 13.08 of the GEM Listing Rules and is set out as follows:*

### **1. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 568,137,958 Shares of HK\$0.05 each.

Subject to the passing of the resolution in relation to the Repurchase Mandate and on the basis that no Shares are issued or repurchased by the Company prior to the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 56,813,795 Shares equivalent to 10% of the issued share capital of the Company as at the date of the AGM. The Shares when repurchased will be cancelled and the Company's issued share capital will be reduced accordingly by the nominal value of the Shares repurchased.

### **2. REASONS FOR REPURCHASES**

The Directors believe that the Repurchase Mandate will provide the Company flexibility to make such repurchases when appropriate and beneficial to the Company and the Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the relevant time, lead to an enhancement of the net asset value per Share and/or earnings per Share.

### **3. FUNDING OF REPURCHASES**

Repurchase of Shares will be funded out of funds legally available for such purpose in accordance with the Articles of Association, the applicable laws and regulations of the Cayman Islands and the GEM Listing Rules.

There might be a material adverse impact on the working capital or the gearing position of the Group as compared with the position disclosed in the audited financial statements for the year ended 31 March 2006, being the date to which the latest published audited financial statements of the Company were made up, in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Group or on the gearing positions which in the opinion of the Directors are from time to time appropriate for the Group.

**4. SHARE PRICES**

The highest and lowest prices at which Shares have been traded on GEM in each of the past twelve months preceding the Latest Practicable Date were as follows:–

	<b>Price per Share</b>	
	<b>Highest</b>	<b>Lowest</b>
	<i>HK\$</i>	<i>HK\$</i>
<b>2005</b>		
August	0.1350	0.0770
September	0.1800	0.1200
October	0.1800	0.1190
November	0.1970	0.1570
December	0.1930	0.1730
<b>2006</b>		
January	0.1670	0.1430
February	0.1600	0.1330
March	0.4900	0.1400
April	0.7600	0.4350
May	0.8500	0.6500
June	0.8000	0.6700
July	0.8800	0.5500
August (up to and including the Latest Practicable Date)	0.7600	0.6800

**7. UNDERTAKING OF THE DIRECTORS**

As at the Latest Practicable Date, the Board consisted of seven Directors. The executive Directors are Mr. Yung Kwok Leong, Ms. Shum Ngai Pan, Mr. Chen Jin Shan and Mr. Weng Jiaxing and the independent non-executive Directors are Mr. Chan Francis Ping Kuen, Mr. Hsu Shiu Foo, William and Mr. Yu Chai Mei.

The Directors have undertaken to the Stock Exchange that they will exercise the power of the Company to make repurchases pursuant to the proposed resolution in accordance with the GEM Listing Rules, the Takeovers Code, the Articles of Association and any applicable laws of the Cayman Islands.

None of the Directors and, to the best of the knowledge and belief of the Directors having made all reasonable enquires, any of the associates of any of the Directors has any present intention, in the event that the proposed Repurchase Mandate is approved by the Shareholders, to sell Shares to the Company.

As at the Latest Practicable Date, no connected person (as defined in the GEM Listing Rules) of the Company has notified the Company that he/she/it has a present intention to sell Shares to the Company nor has he/she/it undertaken not to sell any of the Shares held by him/her to the Company in the event that the Company is authorized to make repurchases of Shares.

**8. THE HONG KONG CODE ON TAKEOVERS AND MERGERS**

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of Rule 32 of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, the register maintained by the Company under section 336 of the SFO showed that the following parties had interests in the Shares representing 10% or more of the voting power at any general meeting of the Company:

Name of Shareholder	Number of Shares	Position	Capacity	Approximate percentage of the total issued Shares	Approximate percentage of shareholding if the Repurchase Mandate is exercised in full
Easeglory Holdings Limited (Note 1)	122,804,000	Long	Beneficial owner	21.62%	24.02%
Yung Kwok Leong (Note 1)	122,804,000	Long	Interest of a controlled corporation	21.62%	24.02%
	4,125,000	Long	Beneficial owner	0.72%	0.81%
	2,450,000 Options	Long	Beneficial owner	0.43%	0.48%
Yung Muk Ying (Note 1)	129,379,000	Long	Interest of spouse	22.77%	25.30%
Top Rainbow Ltd. (Note 2)	67,351,887	Long	Beneficial owner	11.85%	13.17%
Yang Pei Gen (Note 2)	67,351,887	Long	Interest of a controlled corporation	11.85%	13.17%
Lu Jin Ming (Note 2)	67,351,887	Long	Interest of spouse	11.85%	13.17%
Wu Wendong (Note 3)	126,000,000	Long	Beneficial owner	22.18%	24.64%

- Notes:
- The issued share capital of Easeglory Holdings Limited is 100% beneficially owned by Mr. Yung Kwok Leong, an executive Director and the chairman of the Company. Ms. Yung Muk Ying is deemed to be interested in 122,804,000 Shares held by Easeglory Holdings Limited, 4,125,000 Shares and 2,450,000 Options conferring rights to subscribe for 2,450,000 Shares beneficially owned by Mr. Yung Kwok Leong, by virtue of her being the spouse of Mr. Yung Kwok Leong.
  - The issued share capital of Top Rainbow Ltd. is 100% beneficially owned by Mr. Yang Pei Gen. Ms. Lu Jin Ming is deemed to be interested in these 67,351,887 Shares by virtue of her being the spouse of Mr. Yang Pei Gen.
  - 126,000,000 Shares are beneficially owned by Mr. Wu Wendong upon completion of the Company's acquisition of Day View Group Limited, details of which have been set out in an announcement of the Company dated 15 June 2006.

In the event that the Directors shall exercise in full the Repurchase Mandate, the total interests of the above Shareholders would be increased to approximately the respective percentages shown in the last column above. The Directors are not aware of any consequences as a result of any repurchase of Shares under the Repurchase Mandate which may give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code as a result of any purchase made under the Repurchase Mandate nor reduce the amount of Shares held by the public to less than the relevant prescribed minimum percentage for the Company as required by the Stock Exchange.

**9. SHARE REPURCHASE MADE BY THE COMPANY**

No Shares had been repurchased by the Company, whether on the GEM or otherwise, in the last six months prior to the Latest Practicable Date.

*Set out below are details of the Directors who are proposed to be re-elected at the AGM:*

**1. Mr. Hsu Shiu Foo, William (“Mr. Hsu”)**

**Mr. Hsu**, aged 55, an independent non-executive Director and member of audit committee and remuneration committee of the Company. Mr. Hsu is an Associate Professor at the School of Business at Brigham Young University, Hawaii. Mr. Hsu has over 15 years’ global business experience in tourism and related fields in various international corporations. Mr. Hsu holds a bachelor of arts degree from the Brigham Young University, Hawaii, a master degree from Cornell University, New York, in the United States and a doctoral degree in business administration from the University of Western Sydney in Australia. Mr. Hsu was previously an independent non-executive director of Kinetana International Biotech Pharma Limited and is currently an independent non-executive director of KanHan Technologies Group Limited, both companies are listed on the GEM.

Mr. Hsu has entered into a non-executive director’s contract with the Company for a term of one year commencing on 22 April 2002 and will continue thereafter until terminated by either party giving each other not less than one month’s notice in writing. Mr. Hsu is entitled to a fixed emolument of HK\$60,000 per annum which is determined after arm’s length negotiation between the parties. Mr. Hsu is not entitled to discretionary bonus. In the financial year ended 31 March 2006, Mr. Hsu received a total emolument of HK\$60,000.

As at the Latest Practicable Date, Mr. Hsu has no interest in the Shares. Save for the aforesaid, Mr. Hsu does not have any interest in the Shares or underlying Shares within the meaning of Part XV of the SFO. Mr. Hsu is not connected with any Directors, senior management, substantial Shareholders or controlling Shareholders of the Company.

Other than disclosed above, there is no matter that need to be brought to the attention of the holders of securities of the Company and there is no information to be disclosed pursuant to any of the requirements of Rule 17.50(2) of the GEM Listing Rules.

**2. Ms. Shum Ngai Pan (“Ms. Shum”)**

**Ms. Shum**, aged 33, an executive Director. Ms. Shum has over 7 years of managerial experience in private companies engaged in healthcare and environmental protection sectors. Ms. Shum is also a director of Prime Source (Fujian) Chemical Co., Ltd., an indirect wholly owned subsidiary of the Company established in the PRC. Ms. Shum holds a Master’s Degree in Business Administration.

Ms. Shum has been appointed by way of a letter of appointment for a term of one year commencing on 25 April 2006 and would continue thereafter until terminated by either party giving each other not less than one month's notice in writing. Ms. Shum is entitled to a fixed emolument of HK\$180,000 per annum which is determined after arm's length negotiation between the parties plus a year-end discretionary bonus to be determined by the Board from time to time.

As at the Latest Practicable Date, Ms. Shum held 3,600,000 Shares. The Company has granted 2,800,000 Options to Ms. Shum on 13 July 2006. Save for the aforesaid, Ms. Shum does not have any interest in the Shares or underlying Shares within the meaning of Part XV of the SFO. Ms. Shum is not connected with any Directors, senior management, substantial Shareholders or controlling Shareholders of the Company.

Other than disclosed above, there is no matter that need to be brought to the attention of the holders of securities of the Company and there is no information to be disclosed pursuant to any of the requirements of Rule 17.50(2) of the GEM Listing Rules.

### **3. Mr. Chen Jin Shan ("Mr. Chen")**

**Mr. Chen**, aged 38, an executive Director. Mr. Chen has over 10 years of accounting experience in private companies. He has also been a project manager for more than 6 years in an accounting firm. Mr. Chen is currently an independent non-executive director of Citychamp Dartong Company Limited which is listed on the Shanghai Stock Exchange. Mr. Chen holds a bachelor's degree in finance and accounting.

Mr. Chen has been appointed by way of a letter of appointment for a term of one year commencing on 25 April 2006 and would continue thereafter until terminated by either party giving each other not less than one month's notice in writing. Mr. Chen is entitled to a fixed emolument of HK\$60,000 per annum which is determined after arm's length negotiation between the parties. Mr. Chen is not entitled to discretionary bonus.

The Company has granted 5,200,000 Options to Mr. Chen on 13 July 2006. Save for the aforesaid, Mr. Chen does not have any interest in the Shares or underlying Shares within the meaning of Part XV of the SFO. Mr. Chen is not connected with any Directors, senior management, substantial Shareholders or controlling Shareholders of the Company.

Other than disclosed above, there is no matter that need to be brought to the attention of the holders of securities of the Company and there is no information to be disclosed pursuant to any of the requirements of Rule 17.50(2) of the GEM Listing Rules.

**4. Mr. Weng Jiaxing (“Mr. Weng”)**

**Mr. Weng**, aged 30, an executive Director. Mr. Weng has over 10 years of managerial experience in private companies engaged in merchandise trading and healthcare sector. Mr. Weng is also a director of Prime Source (Fujian) Chemical Co., Ltd., and indirect wholly owned subsidiaries of the Company established in the PRC. Mr. Weng holds a bachelor’s degree in finance.

Mr. Weng has been appointed by way of a letter of appointment for a term of one year commencing on 25 April 2006 and would continue thereafter until terminated by either party giving each other not less than one month’s notice in writing. Mr. Weng is entitled to a fixed emolument of HK\$96,000 per annum which is determined after arm’s length negotiation between the parties plus a year-end discretionary bonus to be determined by the Board from time of time.

As at the Latest Practicable Date, Mr. Weng held 3,750,000 Shares. The Company has granted 2,700,000 Options to Mr. Weng on 13 July 2006. Save for the aforesaid, Mr. Weng does not have any interest in the Shares or underlying Shares within the meaning of Part XV of the SFO. Mr. Weng is not connected with any Directors, senior management, substantial Shareholders or controlling Shareholders of the Company.

Other than disclosed above, there is no matter that need to be brought to the attention of the holders of securities of the Company and there is no information to be disclosed pursuant to any of the requirements of Rule 17.50(2) of the GEM Listing Rules.



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## NOTICE OF ANNUAL GENERAL MEETING

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# HUA XIA HEALTHCARE HOLDINGS LIMITED <sup>(Note)</sup>

## 華夏醫療集團有限公司\*

(Formerly known as GRANDY CORPORATION 泓迪有限公司\*)

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8143)

**NOTICE IS HEREBY GIVEN THAT** the annual general meeting (“AGM”) of the shareholders (“Shareholders”) of Hua Xia Healthcare Holdings Limited (the “Company”) will be held at Room 1902, 19/F., Sing Pao Building, No. 101 King’s Road, North Point, Hong Kong, on Thursday, 31 August 2006 at 11:00 a.m. for the following purposes:

1. to receive and consider the audited financial statements and the reports of the directors and auditors of the Company and its subsidiaries for the year ended 31 March 2006;
2. to re-elect the retiring directors of the Company (the “Directors”), namely Mr. Hsu Shiu Foo, William, Ms. Shum Ngai Pan, Mr. Chen Jin Shan and Mr. Weng Jiaying and to authorize the board of Directors (“Board”) to fix their remuneration;
3. to re-appoint auditors and to authorize the Board to fix their remuneration; and

as special business, to consider and, if though fit, pass the following proposed resolutions numbered 4 to 7 as ordinary resolutions of the Company, and numbered 8 as a special resolution of the Company:

### ORDINARY RESOLUTIONS

4. **THAT:**

- (a) subject to paragraph (c) of this resolution, and pursuant to the Rules Governing the Listing of Securities on The Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), 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 (“Shares”) in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;

*Note:* The Company is renamed as Hua Xia Healthcare Holdings Limited following the passing of a special resolution at the Company’s extraordinary general meeting held on 12 July 2006 and being registered by the Registrar of Companies in the Cayman Islands, the certificate of the change of the Company’s name was received on 3 August 2006. The registration of the change of the Company’s name at the Companies Registry in Hong Kong is under processed.

\* for identification purpose only

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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) the approval in paragraph (a) of this resolution shall authorize the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
  
- (c) the aggregate nominal amount of the share capital of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the grant or exercise of any option under the Share Option Scheme (as defined below) or any other option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of Shares or rights to acquire Shares; 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 in accordance with the articles of association of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any existing warrants of the Company or any existing securities of the Company which carry rights to subscribe for are convertible into Shares, shall not exceed the aggregate of:
  - (i) 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of passing of this resolution; and
  
  - (ii) (if the Directors are so authorized by a separate ordinary resolution of the Shareholders) the nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of passing of this resolution).

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

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## NOTICE OF ANNUAL GENERAL MEETING

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- (d) for the purpose of this resolution:
  - (aa) “Relevant Period” means the period from the date of 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 memorandum and articles of association of the Company, or any other applicable laws of the Cayman Islands to be held; and
    - (iii) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors by this resolution.
  - (bb) “Rights Issue” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the register on a fixed record date in proportion to their shareholdings (subject to such exclusion 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, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, or any recognized regulatory body or any stock exchange applicable to the Company).

5. **THAT:**

- (a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to purchase its Shares on GEM or any other stock exchange on which the Shares may be listed and recognized by the Securities and Futures Commission (“SFC”) and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the SFC, the Stock Exchange or of any other stock exchange as amended from time to time and all applicable laws in this regard, be and the same is hereby generally and unconditionally approved;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) the aggregate nominal amount of Shares which may be purchased by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
  - (c) for the purpose of this resolution, “Relevant Period” shall have the same meaning as in resolution no. 4(d)(aa).
- 6. **THAT** conditional upon resolutions numbered 4 and 5 of this notice being passed, the general mandate granted to the Directors to allot, issue and deal with additional Shares pursuant to resolution numbered 4 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 which are repurchased by the Company under the authority granted to the Directors pursuant to resolution numbered 5, provided that the amount of Shares so repurchased by the Company shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution.
- 7. **THAT** subject to and conditional upon the Listing Committee of GEM granting the listing of, and permission to deal in, such number of fully paid Shares which may fall to be allotted and issued pursuant to the exercise of the options which may be granted under the share option scheme adopted by the Company on 20 April 2002 (the “Share Option Scheme”) and any other share option schemes of the Company, representing 10% of the issued share capital of the Company as at the date on which this resolution is passed, the existing scheme mandate limit in respect of the grant of share options under the Share Option Scheme be refreshed provided that the total number of Shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme and any other option schemes of the Company 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.

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## NOTICE OF ANNUAL GENERAL MEETING

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### SPECIAL RESOLUTION

8. **THAT** the existing Article of Association of the Company be and are hereby amended in the following manners:

- 8.1 By inserting the words “voting by way of a poll is required by the rules of the Designated Stock Exchange or” immediately after the words “on a show of hands unless” in the first paragraph of Article 66(1); and by deleting the full stop at the end of Article 66(d) and replacing it with a semi-colon and inserting the word “or” after the semi-colon.

Then by adding the following paragraph as Article 66(e) immediately after Article 66(d):

“(e) if required by the rules of the Designated Stock Exchange, by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five per cent. (5%) or more of the total voting rights at such meeting.”

- 8.2 By deleting the second sentence in Article 68 in its entirety and replacing therewith the following:

“The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the rules of the Designated Stock Exchange.”

- 8.3 By deleting Article 86(2) in its entirety and replacing therewith the following:

“86(2) The Company may from time to time in general meeting by Ordinary resolution elect any person to be a Director either to fill a casual vacancy or as an additional Director. Any Director so appointed should be subject to election by Members at the first general meeting after their appointment and shall then be eligible for re-election.”

- 8.4 By deleting Article 86(3) in its entirety and replacing therewith the following:

“86(3) The Board shall have power from time to time and at any time to appoint any person as Director either to fill a casual vacancy or as an additional Director. Any Director so appointed should be subject to election by Members at the first general meeting after their appointment and shall then be eligible for re-election.”

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## NOTICE OF ANNUAL GENERAL MEETING

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8.5 By deleting Article 86(5) in its entirety and replacing therewith the following:

“86(5) The Company may by Ordinary Resolution remove any Director (including a managing Director or other executive Director) before the expiration of his term of office notwithstanding anything in these Articles or in any agreement between the Company and such Director (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company) and may elect another person in his stead.”

8.6 By deleting Article 87(1) in its entirety and replacing therewith the following:

“87(1) Notwithstanding any other provisions in these Articles, at each annual general meeting, one-third of the Directors for the time being (or, if their numbers is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement at least once every three years. A retiring Director shall be eligible for re-election.”

By order of the Board  
**Yung Kwok Leong**  
*Chairman*

Hong Kong, 8 August 2006

*Registered office:*

Century Yard  
Cricket Square  
Hutchins Drive  
P.O. Box 2681 GT  
George Town  
Grand Cayman  
British West Indies

*Head office and principal place of  
business in Hong Kong:*

Room 1902 19th Floor  
Sing Pao Building  
No 101 King's Road  
North Point  
Hong Kong

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## NOTICE OF ANNUAL GENERAL MEETING

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*Notes:*

1. A member entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend and, subject to the provisions of the articles of association of the Company, to vote on his/her/its behalf. A proxy need not be a member of the Company but must be present in person at the AGM to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of Shares in respect of which each such proxy is so appointed.
2. A form of proxy for use at the AGM is enclosed with the circular of the Company dated 8 August 2006. Whether or not you intend to attend the AGM in person, you are encouraged to complete and return the enclosed form of proxy in accordance with the instructions printed thereon. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the AGM or any adjournment thereof, should he/she/its so wish.
3. In order to be valid, the form of proxy, together with a power of attorney 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 principal place of business in Hong Kong at Room 1902, 19th Floor, Sing Pao Building, No. 101 King's Road, North Point, Hong Kong not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof.
4. In the case of joint holders of Shares, any one of such holders may vote at the AGM, either personally or by proxy, in respect of such Shares as if he/she/its was solely entitled thereto, but if more than one such joint holders are present at the AGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such Shares shall alone be entitled to vote in respect thereof.