

# 長江製衣廠有限公司

## YANGTZEKIANG GARMENT MANUFACTURING COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 294)

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of the members of Yangtzekiang Garment Manufacturing Company Limited (the "Company") will be held at Function Room-Cherry, InterContinental Hong Kong, 18 Salisbury Road, Kowloon, Hong Kong on Monday, 20th September, 2004 at 2:30p.m. for the following purposes: –

1. To receive and consider the audited consolidated financial statements and the reports of the Directors and Auditors for the year ended 31st March, 2004;
2. To approve and declare a final dividend for the year ended 31st March, 2004;
3. To re-elect Directors and to authorise the board of directors to fix the director's fee;
4. To re-appoint Auditors and to authorise the board of directors to fix their remuneration;
5. To consider as special business and, if thought fit, pass with and without amendments, the following resolution as an ordinary resolution: –

5.1 **"THAT: –**

(a) subject to paragraph (b), the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to purchase Shares (as defined below) be and is hereby 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 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 per cent. 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 earlier of: –

(i) the conclusion of the next Annual General Meeting of the Company;

(ii) the expiration of the period within which the next Annual General Meeting of the Company is required by law or the Memorandum and Articles of Association of the Company to be held; or

(iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders of the Company in general meeting;

"Shares" means shares of all classes in the capital of the Company and securities which carry a right to subscribe or purchase shares of the Company including, without limitation, ordinary shares of HK\$0.50 each in the capital of the Company.";

5.2 **"THAT: –**

(a) subject to paragraph (c), the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and 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 be and is hereby generally and unconditionally approved;

(b) the approval in paragraph (a) shall authorise 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 share capital 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), otherwise than pursuant to (i) a Rights Issue, (ii) the exercise of rights of subscription or conversion under the terms any warrants issued by the Company or any securities which are convertible into shares of the Company, (iii) any 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 of the Company or (iv) 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 the aggregate of: – (aa) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution plus (bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal amount of share capital of the Company repurchased by the Company subsequent to the passing of this Resolution (up to a maximum equivalent to 10 per cent. 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 purposes 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 expiration of the period within which the next Annual General Meeting of the Company is required by law or the Memorandum and Articles of Association of the Company to be held; or

(iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders of the Company in general meeting;

"Right Issue" means the allotment, issue or grant of shares pursuant to an offer of shares open for a period fixed by the Directors 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 or class thereof (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, any recognised regulatory body or any stock exchange in any territory outside Hong Kong).";

- 5.3 **“THAT** the Directors be and they are hereby authorised to exercise the powers of the Company referred to in paragraph (a) of the resolution set out as Resolution 5.2 in the notice of this meeting in respect of the share capital of the Company referred to in sub-paragraph (bb) of paragraph (c) of such resolution.”
6. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution: –
- “THAT**, subject to the passing of this resolution and with effect from the close of business of the day on which this resolution is passed, the rules of the share option scheme (the “New Share Option Scheme”), the principal terms of which are set out in the circular (the “Circular”) to the shareholders of the Company dated 26th August, 2004) (a copy of the New Share Option Scheme and the Circular having been produced to the meeting marked “A” and “B”, respectively, and signed by the chairman of the meeting for the purposes of identification), be approved and adopted and the Directors be and they are hereby generally and unconditionally authorised to approve any amendments to the rules of the New Share Option Scheme as may be acceptable or not objected to by the Stock Exchange, and at their absolute discretion to grant options to subscribe for the shares of HK\$0.50 each in the share capital of the Company thereunder and to issue, allot and deal with shares pursuant to the exercise of options granted under the New Share Option Scheme and to take all such steps as may be necessary, desirable or expedient to carry into effect the New Share Option Scheme with effect from the close of business of the day on which this resolution is passed.”;
7. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as a special resolution: –
- “THAT** the existing Articles of Association of the Company be and are hereby altered by: –
- (A) amending Article 2 as follows: –
- (1) adding the following definitions: –
- “associate” in relation to any Director, shall have the meaning ascribed to it under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time;
- “corporate representative” shall mean any person appointed to act in that capacity pursuant to Article 92(A) or 92(B);
- “electronic communication” shall mean a communication sent by electronic transmission in any form through any medium;
- (2) deleting the definition of “Hong Kong” and substituting therefor the following: –
- “Hong Kong” shall mean the Hong Kong Special Administrative Region of the People’s Republic of China;
- (3) inserting the words “(including an electronic communication)” after the words “legible and non-transitory form” in the definition of “writing” or “printing”; and
- (4) inserting immediately after the following paragraph: –
- “References to any Articles by number are to the particular Article of these Articles.”
- the following additional paragraph: –
- “References to a document being executed include references to it being executed under hand or under seal or by electronic signature or by any other method and references to a notice or document include a notice or document recorded or stored in any digital, electronic, electrical, magnetic or other retrievable form or medium and information in visible form whether having physical substance or not.”
- (B) in the first sentence of Article 71, deleting all the words after the words “present in person” and substituting therefor the words “or as a duly authorised corporate representative or by proxy and entitled to vote”;
- (C) in Article 75(ii), (iii) and (iv), deleting the words “(or, in the case of a member being a corporation, by its duly authorised representative)” and substituting therefor the words “by a duly authorised corporate representative”;
- (D) in Article 81: –
- (1) deleting the words “(being an individual)” on the third and fourth lines;
- (2) deleting the words “(being a corporation) is present by a representative duly authorised under Section 115 of the Companies Ordinance” on the fourth to sixth lines, and substituting therefor the words “as a duly authorised corporate representative or by proxy”;
- (3) deleting the words “(being a corporation) by duly authorised representative” on the seventh line, and substituting therefor the words “as a duly authorised corporate representative”; and
- (4) adding the following at the end thereof: –
- “Where any member is, under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time, 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.”
- (E) in Article 86, deleting the second, third and fourth sentences, and substituting therefor the following: –
- “Votes may be given either personally or by a duly authorised corporate representative or by proxy. A member who is the holder of two or more shares may appoint more than one proxy to attend on the same occasion. A proxy need not be a member. In addition, a proxy or proxies representing either an individual member or a member which is a corporation, shall be entitled to exercise the same powers on behalf of the member which he or they represent as such member could exercise, including the right to vote individually on a show of hands.”;
- (F) in Article 91, deleting the words “duly authorised representative of a corporation” in the second and third lines, and substituting therefor the words “duly authorised corporate representative”;
- (G) in Article 92: –
- (1) renumbering the existing article as the sub-paragraph (A) and adding the following words at the end thereof: –
- “or by one or more proxies. Nothing in this Article shall prevent a corporation which is a member of the Company from appointing one or more proxies to present it pursuant to Article 86.”; and
- (2) adding the sub-paragraph (B) after the sub-paragraph (A) as follows: –
- “(B) Where a member is a recognised clearing house within the meaning of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), it may authorise such person or persons as it thinks fit to act as its representative or representatives at any meeting of the Company or at any meeting of any class of members of the Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. The person so authorised under the provision of this Article shall be entitled to exercise the same powers on behalf of such clearing house which he represents as such clearing house (or its nominee) could exercise if it were an individual member of the Company.”

- (H) in Article 102(A)(vi), deleting the words “a special resolution” and substituting therefor “an ordinary resolution”;
- (I) in Article 103, deleting the existing sub-paragraphs (B)(ii) and (iii) and substituting the following new sub-paragraphs B(ii) and (iii): –
- “(ii) A Director shall not vote or be counted in the quorum in respect of any contract, arrangement or other proposal in which he or his associate(s) is/are materially interested, and if he shall do so his vote shall not be counted, but this prohibition shall not apply to any contract, arrangement or other proposal for or concerning: –
- (a) the giving of any security or indemnity either: –
- (I) to the Director or his associate(s) 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; or
- (II) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security; and/or
- (b) 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 associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer; and/or
- (c) 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 shareholder or in which the Director or his associate(s) is/are beneficially interested in shares or securities of that company, provided that the Director and any of his associates are not in aggregate beneficially interested in 5% or more of the issued shares or securities 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 attached to such issued shares or securities; and/or
- (d) the benefit of employees of the Company or any of its subsidiaries including: –
- (I) the adoption, modification or operation of any employees’ share scheme or any share incentive or share option scheme under which the Director or his associate(s) may benefit; or
- (II) 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 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; and/or
- (e) 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.
- (iii) (a) A company shall be deemed to be a company in which a Director and/or his associate(s) owns 5% or more if and so long as (but only if and so long as) he and/or his associate(s) (either directly or indirectly) is/are the holders of or beneficially interested in 5% or more of any class of the equity share capital of such company or of the voting rights available to members of such company (or any third company through which his/their interest or that of any of his associates is derived) or of the voting rights of any class of shares available to shareholders of the Company. 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 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.
- (b) Where a company in which a Director and/or his associate(s) holds 5% or more of any class of the equity share capital of such company or of the voting rights of any class of shares available to shareholders of the Company is/are materially interested in a transaction, then that Director shall also be deemed materially interested in such transaction.
- (c) 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 or his associate(s) shall be final and conclusive except in a case where the nature or extent of the interest of the Director 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 or his associate(s) such question shall be decided by a resolution of the Board (for which purpose such chairman and any of the other directors present who are materially interested in the contract or arrangement in question shall be counted in the quorum but 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 or his associate(s) as known to such chairman has not been fairly disclosed to the Board.”
- (J) deleting all the words appearing in Article 108 after the word “Company” and substituting the following: –
- “at its registered office in the period commencing no earlier than the day after the despatch of the notice of the meeting appointed for such election and ending no later than seven days prior to the date of such meeting, provided that such period shall be at least seven days.”
- (K) in Article 110, deleting the words “special resolution” and substituting “ordinary resolution”;
- (L) in Article 166: –
- (1) inserting the words “(collectively the “Relevant Financial Documents”)” between the words “Auditors’ report” and “, shall” in the sixth line of the sub-paragraph (B); and
- (2) inserting the following as sub-paragraphs (C) and (D): –
- “(C) To the extent permitted by and subject to due compliance with all applicable laws, rules and regulations and to obtaining all necessary consents, if any, required thereunder, the requirements in paragraph (B) of this Article shall be deemed satisfied in relation to any person by sending to the person in any manner not prohibited by the Ordinance and instead of a copy of the Relevant Financial Documents,

a summary financial report derived from the Relevant Financial Documents which shall be in the form and containing the information required by applicable laws, rules and regulations, provided that any person who is otherwise entitled to the Relevant Financial Documents may, if he so requires and in accordance with the Ordinance and all other applicable laws, rules and regulations, by notice in writing served on the Company, demand that the Company sends to him, in addition to a summary financial report, a complete printed copy of the Relevant Financial Documents.

- (D) The requirement to send to a person referred to in paragraph (B) of this Article the Relevant Financial Documents or a summary financial report in accordance with paragraph (C) of this Article shall be deemed satisfied where, in accordance with the Ordinance and other applicable laws, rules and regulations, the Company publishes copies of the Relevant Financial Documents and, if applicable, a summary financial report complying with paragraph (C) of this Article, on the Company's computer network or its website (if any) or in any other permitted manner (including by sending any form of electronic communication), and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company's obligation to send to him a copy of the Relevant Financial Documents or summary financial report.”;

(M) in Article 170: –

- (1) deleting the existing sub-paragraph (A) in its entirety and substituting therefor the following: –

“(A) Any notice or document (including any “corporate communication” within the meaning ascribed thereto under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited from time to time in force), to be given or issued by the Company to a member, whether or not under the Ordinance, other applicable laws, rules and regulations or these Articles, shall be given in writing or by cable, telex or facsimile transmission message or other form of electronic communication or transmission and any such notice and document may be served or delivered by the Company on or to any member (1) personally or (2) by sending it through the post in a prepaid letter, envelope or wrapper addressed to such member at his registered address as appearing in the register of members, whether in or outside Hong Kong, or by delivering or leaving it at such registered address as aforesaid or (3) as the case may be, by transmitting it to any such address or transmitting it to any telex or facsimile transmission number or electronic number or address or website (if any) supplied by him to the Company for the giving of notice or document to him or (4) (in the case of a notice) by advertisement in an English language daily newspaper and a Chinese language daily newspaper circulating in Hong Kong or (5) subject to due compliance with the Ordinance and other applicable laws, rules and regulations, by publishing it on the Company's computer network or its website (if any), giving access to such network or website (if any) to the member and giving to the member a notice stating that the notice or other document is available there (a “notice of availability”) or (6) in any other permitted manner from time to time.”; and

- (2) deleting the existing sub-paragraph (B) in its entirety and substituting therefor the following: –

“(B) In the case of joint holders of a share, all notices or documents shall be given to that one of the joint holders whose name stands first in the register and notice or documents so given shall be deemed a sufficient service to all the joint holders.”

(N) deleting Article 172 in its entirety and substituting therefor the following: –

“172. Any notice or other document (including any “corporate communication” within the meaning ascribed thereto under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited from time to time in force) given or issued by the Company: –

- (i) if served by post, shall be deemed to have been served on the day following that on which the envelope or wrapper containing the same is posted and in proving such service it shall be sufficient to prove that the envelope or wrapper containing the notice was properly prepaid, addressed and posted (in the case of an address outside Hong Kong by air-mail postage prepaid where air-mail posting from Hong Kong to such place is available) and a certificate in writing signed by the Secretary or other person appointed by the Board that the envelope or wrapper containing the notice or other document was so addressed and put into the post shall be conclusive evidence thereof;
- (ii) if sent by electronic communication, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent. A notice or document placed on the Company's computer network or website (if any) is deemed given by the Company to a member on the day on which a notice of availability is deemed served on the member;
- (iii) if served or delivered in any other manner contemplated by these Articles other than by advertisement in newspapers in accordance with Article 170, shall be deemed to have been served or delivered at the time of personal service or delivery or, as the case may be, at the time of the relevant despatch or transmission; and in proving such service or delivery a certificate in writing signed by the Secretary or other person appointed by the Board as to the fact and time of such service, delivery, despatch or transmission shall be conclusive evidence thereof;
- (iv) if served by advertisement in newspapers in accordance with Article 170, shall be deemed to have been served on the day on which the notice is first published; and
- (v) may be given to a member either in the English language or the Chinese language only or in both the English language and Chinese language, subject to due compliance with the Ordinance and other applicable laws, rules and regulations.”;

(O) deleting Article 173 in its entirety and substituting therefor the following: –

“173. A notice or document may be given by or on behalf of the Company to the person entitled to a share in consequence of the death, mental disorder or bankruptcy of a member in such manner as provided in Article 170 in which the same might have been given if the death, mental disorder or bankruptcy had not occurred.”;

(P) in Article 175, deleting the words “by post to, or left at the registered address of any member” from the first and second lines and substituting therefor the words “to any member in such manner as provided in Article 170”;

(Q) deleting Article 176 in its entirety and substituting therefor the following: –

“176. The signature to any notice or document to be given by the Company may be written, printed or made electronically.”;

(R) in Article 181: –

- (1) deleting the words “(including any such liability as is mentioned in paragraph (c) of the proviso to Section 165 of the Companies Ordinance)” in the sub-paragraph (A); and
- (2) deleting the existing sub-paragraph (B) and substituting the following: –
  - “(B) The Company may indemnify any Director or other officer of the Company, or any person employed by the Company as Auditor, against any liability incurred by him: –
    - (i) in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted; or
    - (ii) in connection with any application under section 358 of the Companies Ordinance in which relief is granted to him by the court.
  - (C) The Company may purchase and maintain for any Director or officer of the Company, or any person employed by the Company as Auditor: –
    - (i) insurance against any liability to the Company, a related company or any other party in respect of any negligence, default, breach of duty or breach of trust (save for fraud) of which he may be guilty in relation to the Company or a related company; and
    - (ii) insurance against any liability incurred by him in defending any proceedings, whether civil or criminal, taken against him for any negligence, default, breach of duty or breach of trust (including fraud) of which he may be guilty in relation to the Company or a related company.
  - (D) In this Article, “related company”, in relation to the Company, means any company that is the Company’s subsidiary or holding company or a subsidiary of that company’s holding company.”

By Order of the Board  
**Hui Sau Ling**  
Secretary

Hong Kong, 26th August, 2004

Notes:

- (a) The Transfer Books and Register of Members of the Company will be closed from 13th September, 2004 to 20th September, 2004, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the final dividend payable on or around 21st September, 2004 to be approved at the meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company’s share registrars, Computershare Hong Kong Investor Services Limited, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:00 p.m. on 10th September, 2004.
- (b) A member entitled to attend and vote at the above meeting may appoint one or more than one proxies to attend and to vote in his stead. A proxy need not be a member of the Company.
- (c) In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof must be deposited at the Company’s registered office, 22 Tai Yau Street, San Po Kong, Kowloon, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
- (d) With regard to item 5 of the above notice, attention is drawn to the circular regarding the general mandate to repurchase shares and to issue shares which will be sent to shareholders in due course.

*As at the date of this notice, the directors of the Company are Chan Sui Kau, Chan Wing Fui Peter, Chan Wing Kee, Chan Wing To, Chan Wing Sun Samuel, Chan Wing Chak David, Chan Suk Man, Chan Suk Ling Shirley, Yeung Wing Tak<sup>#</sup>, Leung Hok Lim\*, Wong Lam\* and Lin Keping\*.*

<sup>#</sup> *Non-Executive Director*

\* *Independent Non-Executive Director*

Please also refer to the published version of this announcement in China Daily.