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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 licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in YangtzeKiang Garment Manufacturing Company Limited, you should at once hand this circular and the accompanying proxy form to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The Stock Exchange of Hong Kong Limited 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 loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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**長江製衣廠有限公司**

**YANGTZEKIANG GARMENT MANUFACTURING COMPANY LIMITED**

*(Incorporated in Hong Kong with limited liability)*

(Stock Code: 294)

**PROPOSALS RELATING TO  
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES  
RE-ELECTION OF RETIRING DIRECTORS  
CHANGE OF COMPANY NAME AND  
AMENDMENT TO THE ARTICLES OF ASSOCIATION**

**AND**

**NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of YangtzeKiang Garment Manufacturing Company Limited (the "Company") to be held at Yau Yat Chuen Garden City Club, 7 Cassia Road, Yau Yat Chuen, Kowloon, Hong Kong on Thursday, 22nd September, 2005 at 12:30 p.m. (the "AGM") is set out on pages 10 to 12 of this circular.

Whether or not you are able to attend the AGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the registered office of the Company at 22 Tai Yau Street, San Po Kong, Kowloon, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the AGM or any adjourned meeting thereof should you so wish.

24th August, 2005

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## DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at Yau Yat Chuen Garden City Club, 7 Cassia Road, Yau Yat Chuen, Kowloon, Hong Kong on Thursday, 22nd September, 2005 at 12:30 p.m., notice of which is set out on pages 10 to 12 of this circular;
“Articles of Association”	the articles of association of the Company;
“Board”	the board of Directors;
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong);
“Company”	Yangtzekiang Garment Manufacturing Company Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its Subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Latest Practicable Date”	19th August, 2005, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Memorandum of Association”	the memorandum of association of the Company
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Shares(s)”	ordinary share(s) of HK\$0.50 each in the capital of the Company;
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent.

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**LETTER FROM THE CHAIRMAN**

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**長江製衣廠有限公司**

**YANGTZEKIANG GARMENT MANUFACTURING COMPANY LIMITED**

*(Incorporated in Hong Kong with limited liability)*

(Stock Code: 294)

*Directors:*

Chan Sui Kau (*Chairman*)  
Chan Wing Fui, Peter (*Vice Chairman*)  
Chan Wing Kee (*Managing Director*)  
Chan Wing To (*Deputy Managing Director*)  
Chan Suk Man  
Chan Wing Sun, Samuel  
Yeung Wing Tak\*  
Chan Wing Chak, David  
Chan Suk Ling, Shirley  
Leung Hok Lim\*\*  
Wong Lam\*\*  
Lin Keping\*\*

*Registered Office:*

22 Tai Yau Street  
San Po Kong  
Kowloon  
Hong Kong

\* *Non-executive Director*

\*\* *Independent Non-executive Director*

24th August, 2005

*To the Shareholders*

Dear Sir or Madam,

**PROPOSALS RELATING TO  
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES  
RE-ELECTION OF RETIRING DIRECTORS  
CHANGE OF COMPANY NAME AND  
AMENDMENT TO THE ARTICLES OF ASSOCIATION**

**AND**

**NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to give you information on the following matters to be proposed at the AGM: (i) the grant to the Directors of general mandates for the issue of Shares and the repurchase of Shares; (ii) the re-election of Retiring Directors (as defined below); (iii) the change of Company name; and (iv) the amendment to the Articles of Association.

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## LETTER FROM THE CHAIRMAN

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### GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

At the last annual general meeting of the Company held on 20th September, 2004, ordinary resolutions were passed to grant the general mandates to the Directors to repurchase Shares and issue Shares. These general mandates will lapse at the conclusion of the AGM.

The Directors believe that renewal of such mandates is in the interest of the Company and Shareholders. Accordingly, ordinary resolutions will be proposed at the AGM to grant to the Directors a general mandate to (i) allot, issue and deal with Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of the relevant resolution; (ii) allot, issue and deal with Shares, including the aggregate nominal amount of Shares repurchased by the Company under the Repurchase Mandate (as defined below) (the mandates referred to in (i) and (ii) are collectively referred to as the “Issue Mandates”); and (iii) repurchase, inter alia, Shares, the aggregate nominal amount of which does not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing such resolution (the “Repurchase Mandate”). With reference to these resolutions, the Directors, as at the date hereof, wish to state that they have no immediate plan to repurchase any Shares or to issue any new Shares pursuant to the relevant mandates.

An explanatory statement containing the particulars required by section 49BA(3)(b) of the Companies Ordinance and the Listing Rules to provide Shareholders with all the information reasonably necessary for them to make an informed decision on whether to vote for or against the ordinary resolution approving the Repurchase Mandate is set out in the Appendix I to this circular.

The full text of the ordinary resolutions to be proposed at the AGM in relation to the above mentioned general mandates is set out in resolutions 5(A), 5(B) and 5(C) in the notice of the AGM on pages 10 to 12 of this circular.

### RE-ELECTION OF RETIRING DIRECTORS

In relation to resolution 3 in the notice of the AGM regarding the re-election of Directors, Madam Chan Suk Ling Shirley and Mr. Lin Keping (collectively, the “Retiring Directors”) will retire from the Board by rotation at the AGM pursuant to Article 104 of the Articles of Association and, being eligible, will offer themselves for re-election. Under resolution 3, the re-election of Retiring Directors will be individually voted on by Shareholders.

The biographical details and interests in the Shares of the Retiring Directors, their relationship with other Directors, their positions with the Group, and their other directorships held in listed public companies are set out in Appendix II to this circular. If a valid notice from a Shareholder to propose a person to stand for election as a Director at the AGM is received in accordance with the Articles of Association after the printing of this circular, the Company will issue a supplementary circular to inform Shareholders of the details of such additional candidate proposed.

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## LETTER FROM THE CHAIRMAN

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### CHANGE OF THE COMPANY NAME

The Directors proposed to recommend to the Shareholders for approval at the AGM that the name of the Company be changed to “YangtzeKiang Garment Limited 長江製衣有限公司”. The change of name will be subject to, amongst other things, the passing of a special resolution by the Shareholders. The change of name shall take effect from the date on which the relevant Certificate of Incorporation on Change of Name is issued by the Registrar of Companies in Hong Kong.

The change of name will not affect any of the rights of the Shareholders. The Company will make a further announcement on the effective date of the change of name. The change of name will be proposed at the AGM, details of which are set out in resolution numbered 6 in the notice of the AGM.

### AMENDMENT TO THE ARTICLES OF ASSOCIATION

The Stock Exchange has revised the Listing Rules concerning various corporate governance issues. Among other code provisions of the code on corporate governance practices set out in Appendix 14 to the Listing Rules, it is required that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

In their present form, the Articles of Association provides that such Director holding office as the chairman of the Board and/or managing director of the Company will not be subject to retirement by rotation or be taken into account in determining the number of Directors to retire in each year. As such, the Board considers that the Articles of Association should be amended in line with the changes as required under the revised Listing Rules and an amendment to the Articles of Association will be proposed at the AGM, details of which are set out in resolution numbered 7 in the notice of the AGM.

### AGM

The notice of the AGM is set out on pages 10 to 12 of this circular. Ordinary resolutions in respect of the Issue Mandates and the Repurchase Mandates and the re-election of the Retiring Directors, and special resolutions in respect of the Change of the Company name and amendment to the Articles of association will be proposed at the AGM.

A form of proxy for use at the AGM is enclosed with this circular. Whether or not you are able to attend the AGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the registered office of the Company at 22 Tai Yau Street, San Po Kong, Kowloon, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the AGM or any adjourned meeting thereof should you so wish.

Pursuant to Article 75 of the existing Articles of Association, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:

- (i) by the chairman of the meeting; or

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## LETTER FROM THE CHAIRMAN

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- (ii) by at least three members present in person (or, in the case of a member being a corporation, by its duly authorized representative) or by proxy for the time being entitled to vote at the meeting; or
- (iii) by any member or members present in person (or, in the case of a member 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 the members having the right to vote at the meeting; or
- (iv) by a member or members present in person (or, in the case of a member being a corporation, by its duly authorized 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.

### RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

### RECOMMENDATION

The Directors consider that the proposals for the Issue Mandates and the Repurchase Mandate, the re-election of the Retiring Directors, the change of Company name and the amendment to the Articles of Association are all in the best interests of the Company and the Shareholders as a whole, and accordingly, recommend all Shareholders to vote in favour of the resolutions to be proposed at the AGM.

### GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this circular. The English text of this circular shall prevail over the Chinese text.

Yours faithfully,  
For and on behalf of  
**Yangtzekiang Garment Manufacturing  
Company Limited**  
**Chan Sui Kau**  
*Chairman*

The following is the explanatory statement required to be sent to Shareholders of the Company under the Listing Rules in connection with the Repurchase Mandate and also constitutes the memorandum required under section 49BA(3)(b) of the Companies Ordinance:–

- (i) It is proposed that up to 10% of the Shares in issue as at the date of the passing of the resolution to approve the Repurchase Mandate may be repurchased. As at the Latest Practicable Date, the number of Shares in issue was 210,368,688 Shares. On the basis of such figure (and assuming no further Shares are issued or repurchased after the Latest Practicable Date and up to the date of passing such resolution), the Directors would be authorized to repurchase up to a limit of 21,036,868 Shares.
- (ii) The Directors believe that it may be to the benefit of the Company and its Shareholders to repurchase its Shares in certain circumstances. For example, depending on market conditions and funding arrangements at the time, such repurchases may enhance the net assets and/or earnings per Share. Therefore, the Directors are seeking the grant of the Repurchase Mandate to give the Company the flexibility to do so if and when appropriate.
- (iii) It is envisaged that the funds required for any repurchase would be derived from the capital paid up on the Shares being repurchased and from the distributable profits of the Company. In any event, the Company may only apply funds legally available for such purpose in accordance with its Memorandum of Association and Articles of Association and the laws of Hong Kong.
- (iv) As compared with the position disclosed in the audited consolidated accounts contained in the annual report for the year ended 31st March, 2005, the Directors consider that the exercise in full of the Repurchase Mandate would have a material adverse impact on the working capital or gearing position of the Company. However, the Directors do not propose to exercise the power to make purchases pursuant to the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the Company's working capital requirements or gearing levels.
- (v) None of the Directors nor, to the best of the knowledge of the Directors, having made all reasonable enquiries, any associates (as defined in the Listing Rules) of Directors who have a present intention, in the event that the general mandate is granted by Shareholders of the Company, to sell Shares to the Company under the Repurchase Mandate.
- (vi) The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules and laws of Hong Kong.
- (vii) As at the Latest Practicable Date and according to the records kept by the Company, Messrs. Chan Sui Kau, Chan Wing Fui Peter, Chan Wing Kee, Chan Wing To, Chan Wing Sun Samuel, Chan Wing Chak David and Madam Chan Suk Man and Madam Chan Suk Ling Shirley and their associates (collectively the "Chan Family") are together interested in approximately 54.43% of the issued Shares. Assuming that the shareholding interests of the Chan Family remain unchanged, upon full exercise of the mandate to repurchase Shares by



the Directors, the Chan Family will be interested in approximately 60.48% of the issued Shares. The Directors are not aware of any consequences which would arise under the Hong Kong Code on Takeovers and Mergers as a consequence of any repurchases of Shares by the Company pursuant to the general mandate.

- (viii) No purchase has been made by the Company of its Shares in the six months prior to the date of this circular.
- (ix) No connected persons of the Company (as defined in the Listing Rules) have notified it of a present intention to sell Shares to the Company and no such persons have undertaken not to sell any such Shares to the Company in the event that the Repurchase Mandate is granted by the Shareholders of the Company.
- (x) The highest and lowest prices at which Shares have traded on the Stock Exchange in each of the previous twelve months prior to the Latest Practicable Date are as follows:-

	<b>Highest per share <i>HK\$</i></b>	<b>Lowest per share <i>HK\$</i></b>
<b>2004</b>		
August	2.350	1.900
September	2.100	1.800
October	2.075	1.850
November	2.300	1.880
December	2.250	1.980
<b>2005</b>		
January	2.000	1.900
February	2.050	1.900
March	2.000	1.890
April	1.950	1.880
May	1.940	1.820
June	1.910	1.820
July	1.940	1.800
August (up to the Latest Practicable Date)	1.880	1.810

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## **APPENDIX II INFORMATION OF RETIRING DIRECTORS TO BE RE-ELECTED**

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Brief biographical details of the Retiring Directors, their interests in the Shares, their relationship with other Directors, their positions with the Group, their other directorships held in listed public companies and other matters relating to the Retiring Directors that need to be brought to the attention of the Shareholders are as follows:-

### **Chan Suk Ling, Shirley**

Age 54. Received a Bachelor's degree from Trent University, the United Kingdom in 1973. Joined the Group in 1973 and has been a Director since 1983. She is also a director of the Company's subsidiary, Yangtzekiang Aluminium Corporation Limited and has been appointed deputy managing director of YGM Trading Limited since 1987. She has extensive experience of management in the garment retail and wholesale business. She is a member of the Hong Kong Trade Development Council Garment Advisory Committee and the Executive Committee Member of the Hong Kong Retail Management Association. Committee Member of the Chinese Manufacturers' Association of Hong Kong. She is the daughter of Mr. Chan Sui Kau and the sister of Mr. Chan Wing Fui Peter and Mr. Chan Wing Sun Samuel. She is also the cousin of Mr. Chan Wing Kee, Mr. Chan Wing To, Madam Chan Suk Man and Mr. Chan Wing Chak David. Save as disclosed herein, Madam Chan is not related to any other Directors, senior management or substantial or controlling shareholders of the Company.

Save as disclosed above, Madam Chan did not hold any directorship in any other listed public companies in the last three years.

### **Lin Keping**

Age 66. Appointed as an Independent Non-executive Director in 2004. Mr. Lin is an engineer, graduated from Beijing University of Posts and Telecommunications in 1963. He is a member of the Eighth National Committee of the Chinese People's Political Consultation Conference and an executive member of the Eighth All-China Federation of Industry and Commerce. He has served in postal and telecommunication research institutes, the Ministry of Posts and Telecommunications and other organisations for years, and was an executive vice president of China Minsheng Bank Corp. Ltd.

Apart from being an Independent Non-executive Director, Mr. Lin does not hold any position with the Company or any of its subsidiaries. Since 2004, he has also been an independent non-executive director of YGM Trading Limited which is listed on the Stock Exchange. Mr. Lin does not have any relationships with any directors, senior manager or substantial or controlling shareholders of the Company. Save as disclosed above, Mr. Lin did not hold any directorship in any other listed public companies in the last three years.

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**APPENDIX II INFORMATION OF RETIRING DIRECTORS TO BE RE-ELECTED**

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As at the Latest Practicable Date, interests in the Shares of the Retiring Directors which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, the Model Code for Securities Transactions by Directors of Listed Issuers and which were entered in the register kept by the Company under section 352 of the SFO are as follows:-

<b>Name of Director</b>	<b>Personal interest</b>	<b>Number of Shares</b>			<b>Other interests</b>
		<b>Family interests</b>	<b>Corporate interests</b>		
Chan Suk Ling, Shirley	1,728,816	24,000	–	(i) & (ii) & (iii)	
Lin Keping	–	–	–	–	

*Notes:*

- (i) 44,388,696 Shares were held by Chan Family Investment Corporation Ltd. (which is owned by Messrs Chan Sui Kau, Chan Wing Fui Peter, Chan Wing Kee, Chan Wing To, Chan Wing Sun Samuel and Chan Wing Chak David, Madam Chan Suk Ling Shirley and Madam Chan Suk Man and other members of the Chan Family) and its subsidiaries.
- (ii) 34,595,908 Shares were held by Joycome Limited, which is indirectly owned by Messrs Chan Wing Fui Peter, Chan Wing Kee, Chan Wing To and Chan Wing Sun Samuel, Madam Chan Suk Ling Shirley and Madam Chan Suk Man and other members of the Chan Family.
- (iii) 1,574,480 Shares were held by Hearty Development Limited which is indirectly owned by Messrs Chan Wing Fui Peter, Chan Wing Kee, Chan Wing To, Chan Wing Sun Samuel, Madam Chan Suk Ling Shirley, Madam Chan Suk Man and other members of the Chan Family.

As at the Latest Practicable Date, the Retiring Directors had not entered into any service contract in writing with the Company and are subject to retirement by rotation and re-election in accordance with the Articles of Association. Save and except for the director's fee amounting to HK\$30,000 and HK\$50,000 respectively for the year ended 31st March, 2005, Madam Chan Suk Ling Shirley and Mr. Lin Keping do not receive any salary from the Company. All the Retiring Directors will receive a director's fees to be fixed by the Board as authorized by the Shareholders at the AGM, and discretionary bonuses to be determined by the Board based on her/his performance during the relevant financial year.

Save as disclosed above, the Board is not aware of any other matter relating to the re-election of the Retiring Directors that needs to be brought to the attention of the Shareholders.

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## NOTICE OF ANNUAL GENERAL MEETING

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# 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 Yau Yat Chuen Garden City Club, 7 Cassia Road, Yau Yat Chuen, Kowloon, Hong Kong, on Thursday, 22nd September, 2005 at 12:30 p.m. for the following purposes:–

1. To receive and consider the audited consolidated financial statements and the reports of the Directors and the Auditors for the year ended 31st March, 2005;
2. To approve and declare a final dividend for the year ended 31st March, 2005;
3. To re-elect the Retiring Directors named below and to authorize the board of Directors to fix the Directors’ remuneration:
  - Madam Chan Suk Ling, Shirley;
  - Mr. Lin Keping;
4. To re-appoint KPMG as auditors of the Company and to authorize the board of Directors to fix their remuneration;
5. To consider as special business and, if thought fit, pass, with or without amendments, the following resolutions as ordinary resolutions:–

(A) “**THAT:**–

- (a) subject to paragraph (b), the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as defined below) of all the powers of the Company to purchase shares in the capital of the Company (the “Shares”) 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 as 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.”

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## NOTICE OF ANNUAL GENERAL MEETING

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(B) “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 be in addition to any other authorization given to the Directors and 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 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 as at the date of passing this Resolution plus (bb) (if the Directors are so authorized 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 as 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 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;

and

“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).”

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## NOTICE OF ANNUAL GENERAL MEETING

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- (C) “**THAT** conditional upon the passing of the resolutions set out in paragraphs (A) and (B) above, the Directors be and they are hereby authorized to exercise the powers of the Company referred to in paragraph (a) of the resolution set out as in paragraph (B) above 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 a special resolution:-

“**THAT** subject to the approval of the Registrar of Companies in Hong Kong, the name of the Company be changed to “Yangtzekiang Garment Limited 長江製衣有限公司”.”

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 amended as follows:-

By deleting the existing Article 104(A) in its entirety substituting therefor the following new Article 104(A):-

“Subject to the manner of retirement by rotation of Directors as from time to time prescribed under the rules and regulations governing the listing of securities on The Stock Exchange of Hong Kong Limited or any other designated stock exchange and notwithstanding any contractual or other terms on which any Director may be appointed or engaged, at each annual general meeting, one-third of the Directors for the time being (or if their number is not a multiple of (3), 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 by rotation at least once every three years. The Company at the general meeting at which a Director retires may fill the vacated office. The retiring Directors shall be eligible for re-election and shall continue to act as Directors throughout the meeting which they retire.””

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

Hong Kong, 24th August, 2005

*Notes:*

- (a) The Transfer Books and Register of Members of the Company will be closed from 14th September, 2005 to 22nd September, 2005, 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 26th September, 2005 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, Shops 1712 – 1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:00 p.m. on 13th September, 2005.
- (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.

*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 Suk Man, Chan Wing Sun Samuel, Chan Wing Chak David, Chan Suk Ling Shirley, Yeung Wing Tak\*, Leung Hok Lim\*\*, Wong Lam\*\* and Lin Keping\*\*.*

\* *Non-executive Director*

\*\* *Independent Non-executive Director*