
IMPORTANT

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

If you have sold or transferred all your shares in Argos Enterprise (Holdings) Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser 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 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.

Argos

ARGOS ENTERPRISE (HOLDINGS) LIMITED

雅高企業(集團)有限公司

(Incorporated in Hong Kong with limited liability)

(STOCK CODE: 8022)

**GENERAL MANDATES TO ISSUE SHARES
AND
REPURCHASE SHARES**

This circular, for which the directors of Argos Enterprise (Holdings) Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, (1) the information contained in this circular is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this circular misleading; and (3) 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.

This circular will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least 7 days from the date of its publications.

1st April, 2005

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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. 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 in order to obtain up-to-date information on GEM-listed issuers.

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DEFINITIONS

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

“AGM”	and annual general meeting of the Company for the year ended 31st December, 2004 to be held at the Function Room, Kowloon Bowling Green Club, 123 Austin Road, Kowloon, Hong Kong on 28th April, 2005 at 11:00 a.m. or any adjournment thereof
“Annual Report”	the annual report of the Company for the year ended 31st December, 2004
“Board”	the board of directors of the Company
“Company”	Argos Enterprise (Holdings) Limited, a company incorporated in Hong Kong with limited liability and the Shares of which are listed on GEM
“Directors”	directors of the Company
“GEM”	The Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	31st March, 2005, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Registrar”	the share registrar of the Company in Hong Kong, Computershare Hong Kong Investors Services Limited, at 46th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“Repurchase Mandate”	the general mandate to be granted to the Directors to exercise the powers of the Company to repurchase Shares during the period as set out in the Repurchase Resolution up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of the Repurchase Resolution
“Repurchase Resolution”	the proposed ordinary resolution in the terms set out in resolution no. 4(B) of the notice of the AGM

DEFINITIONS

“Share(s)”	share(s) of nominal value of HK\$0.01 each in the share capital of the Company
“Shareholders”	holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeover Code”	the Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

LETTER FROM THE BOARD OF DIRECTORS



ARGOS ENTERPRISE (HOLDINGS) LIMITED

雅高企業(集團)有限公司

(Incorporated in Hong Kong with limited liability)

(STOCK CODE: 8022)

Executive Directors:

Mr. Wong Wah Sang, M.B.E.

(Chairman)

Mr. Wong Man Chiu, Ronnie, J.P.

Mr. Yeung Wai Hung

Non-executive Director:

Mr. Wilkie Wong

Independent Non-executive Directors:

Mr. Sung Wai Tak, Herman

Mr. Cheung Man Yau, Timothy

Mr. Wong Lit Chor, Alexis

Registered Office:

Room 1113, 11th Floor

Block A2, Yau Tong Industrial City

17 Ko Fai Road

Kowloon

Hong Kong

1st April, 2005

To the shareholders,

Dear Sir and Madam,

**GENERAL MANDATES TO ISSUE SHARES
AND REPURCHASE SHARES**

INTRODUCTION

It is proposed to give a general mandate to the directors of the Company (the "Directors") to issue and allot shares and to exercise the power of the Company to repurchase its own shares in accordance with the Rules Governing the Listing of Securities (the "GEM Listing Rules") on the Growth Enterprise Market (the "GEM") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") at the annual general meeting of the Company for the year ended 31st December, 2004 to be held at the Function Room, Kowloon Bowling Green Club, 123 Austin Road, Kowloon, Hong Kong on 28th April, 2005 at 11:00 a.m. (the "Annual General Meeting"). The Directors were granted such general mandates to issue and repurchase Shares by ordinary resolutions of the shareholders of the Company (the "Shareholders") on 30th April, 2004. The existing general mandates will expire at the conclusion of the Annual General Meeting.

LETTER FROM THE BOARD OF DIRECTORS

The purpose of this circular is to provide all shareholders with details in respect of the proposed renewal of the general mandates to be granted to the Directors for the issue of shares and the repurchase by the Company of its own shares.

GENERAL MANDATE TO ISSUE SHARES

At the Annual General Meeting, an ordinary resolution will be proposed that the Directors be given a 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 limit of this 20% by the amount of any shares of the Company repurchased by the Company up to a maximum of 10% of the issued share capital of the Company at the date of passing of the relevant resolution.

GENERAL MANDATE TO REPURCHASE SHARES

At the Annual General Meeting to be held on 28th April, 2005 at 11:00 a.m., an ordinary resolution will also be proposed to grant to the Directors a general mandate to repurchase its owned issued shares of HK\$0.01 each in the capital of the Company (“Shares”) on the GEM of the Stock Exchange or on any other stock exchange on which the shares of the Company may be listed. Under such mandate, the number of shares that the Company may repurchase shall not exceed 10% of the share capital of the Company in issue on the date of passing the resolution.

EXPLANATORY STATEMENT

This circular contains the explanatory statement in compliance with the GEM Listing Rules and to give all the information reasonably necessary to enable shareholders to make an informed decision on whether to vote for or against the resolution to approve the granting of a mandate to the Directors to exercise the powers of the Company to repurchase its own shares.

GENERAL INFORMATION

The notice of the Annual General Meeting is set out in the 2004 annual report (“Annual Report”) of the Company which has been despatched to Shareholders.

A form of proxy for the Annual General Meeting is enclosed with the 2004 Annual Report. Whether or not you are able to attend the Annual General Meeting in person, please complete and return the form of proxy in accordance with the instructions printed thereon to our share registrar’s office of the Company at 46/F, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the Annual General Meeting or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting at the Annual General Meeting or any adjourned meeting (as the case may be) should you so wish.

LETTER FROM THE BOARD OF DIRECTORS

RECOMMENDATION

The Directors consider that the granting of the general mandates to issue Shares (as for the reason of providing flexibility for issuing new Shares when it is in the interests of the Company) and repurchase Shares (for the sake of enhancing the net value of the Company and/or earning per share) of the Company are in the best interests of the Company and its shareholders and so recommend all shareholders to vote in favour of the resolutions to be proposed at the forthcoming Annual General Meeting.

Yours faithfully,
Wong Wah Sang
Chairman

This is an explanatory statement given to all shareholders of the Company relating to the resolution to be proposed at the Annual General Meeting authorising the repurchase mandate.

This explanatory statement contains all the information required pursuant to Rule 13.08 of the GEM Listing Rules which is set out as follows:

1. EXERCISE OF THE REPURCHASE MANDATE

The Company's authority is restricted to purchases made on the Stock Exchange in accordance with the GEM Listing Rules. For your information, on 31st March, 2005, being the latest practicable date prior to the printing of this document (the "Latest Practicable Date"), there were in issue an aggregate of 180,000,000 Shares. Accordingly, exercise in full of the repurchase mandate, on the basis that no further Shares are issued or repurchased prior to the date of the Annual General Meeting, result in up to 18,000,000 Shares being repurchased by the Company. Furthermore, the general mandate covers purchases made only during the period ending on the earliest of the date of the next annual general meeting of the Company, the date by which the next annual general meeting is required to be held by law or the Company's articles of association ("Articles") and the date upon which such authority is revoked or varied by an ordinary resolution of the shareholders in a general meeting of the Company.

2. REASONS FOR REPURCHASES

The Directors have no present intention to repurchase any Shares but consider that the mandate will provide the Company the flexibility to make such purchase when appropriate and beneficial to the Company. Such repurchases may enhance the net value of the Company and/or earnings per share.

3. FUNDING OF REPURCHASES

The Company is empowered by its Memorandum of Association and Articles to purchase its Shares. In repurchasing shares, the Company may only apply funds legally available for such purpose in accordance with the Articles of the Company and the laws of Hong Kong. Such funds may include the profits available for distribution and the proceeds of a fresh issue of shares made for the purpose of the repurchases or if authorised by its Articles and subject to Hong Kong law, out of capital. Under Companies Ordinance, the shares so repurchased will be treated as cancelled and the amount of the Company's issued capital shall be diminished accordingly, but the aggregate amount of authorised share capital will not be reduced.

4. GENERAL

If the repurchase mandate were exercised in full, there could be a material adverse effect on the working capital requirements of the Company and its subsidiaries (the "Group") or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Group (as compared with the position disclosed in the audited financial statements for the year ended 31st December, 2004). The Directors therefore do not propose to exercise the repurchase mandate to such an extent.

5. SHARE PRICES

The Company has not repurchased any of its Shares (whether on GEM or otherwise) in the six months preceding the date of this circular.

The highest and lowest price at which Shares have been traded on GEM in the past 12 months, prior to the Latest Practicable Date were as follows:

	Shares	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2004		
April	0.185	0.185
May	0.110	0.102
June	0.121	0.093
July	0.115	0.100
August	0.100	0.100
September	0.113	0.078
October	0.090	0.082
November	0.100	0.007
December	0.105	0.075
2005		
January	0.142	0.080
February	0.137	0.120
March	0.220	0.120

6. DIRECTORS AND CONNECTED PERSONS

None of the Directors nor, to the best of their knowledge and belief having made all reasonable enquiries, any of their associates or any of the Directors has any present intention, in the event that the grant to the Directors of a repurchase mandate is approved by shareholders, to sell Shares to the Company.

No connected persons (as defined in the GEM Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company nor have they undertaken not to do so in the event that the repurchase mandate is approved by shareholders. In accordance with the GEM Listing Rules, the Company is prohibited from knowingly purchase Shares from a connected person on the GEM and a connected person shall not knowingly sell his Shares to the Company.

7. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the repurchase mandate in accordance with the GEM Listing Rules and the applicable laws of Hong Kong and in accordance with the regulations set out in the Memorandum of Association and Articles of the Company.

8. HONG KONG CODE ON TAKEOVERS AND MERGERS

If as a result of a share repurchase, 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 Hong Kong Code on Takeovers and Mergers (the "Takeover Code"). Accordingly, a shareholder or 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 Takeover Code.

As at the Latest Practicable Date, the register required to be kept under the Division 2 and 3 of Part XV of the SFO showed that the persons who were interest in, directly or indirectly, 5 per cent or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any member of the Group were as follows:

Name	Note	Number of Shares	Percentage of issued share capital
Sino Market Enterprises Limited	1	126,000,000	70%
Sinoman International Limited	1	126,000,000	70%
Twilight Enterprises Limited	2	126,000,000	70%
Kenworth Enterprises Limited	7	126,000,000	70%
Wilson Wong	3-4	126,000,000	70%
Chiu Gee Choi	5	126,000,000	70%

Notes:

- These 126,000,000 shares are held by Sino Market Enterprises Limited which is beneficially owned as to 61.03 per cent. by Sinoman International Limited and as to 34.97 per cent. by Kenworth Enterprises Limited.
- Sinoman International Limited is beneficially owned as to 80 per cent. by Twilight Enterprises Limited which is beneficially owned as to 50 per cent. by Mr. Wilson Wong, the former Managing Director, and as to 50 per cent. by Ms. Chiu Gee Chai, the wife of Mr. Wilson Wong.
- Mr. Wilson Wong is deemed to be interested in 126,000,000 shares under Part XV of the SFO.
- Under Part XV of the SFO, Mr. Wilson Wong is deemed to be interested in the entire issued share capital of Argos Bus Services Company Limited, Argos Bus Services (China) Company Limited, Moving Step Limited and Ming Tak Transportation Service Co., Limited, 80 per cent. of the issued share capital of Sinoman International Limited and 50 per cent. of the issued share capital of each of Twilight Enterprises Limited, Ringloma Limited, Metro Line Tours Limited and Goldspark HK Tours Limited.
- By virtue of Part XV of the SFO, Madam Chiu Gee Chai is deemed to be interested in 126,000,000 shares.
- By virtue of Part XV of the SFO, each of Sino Market Enterprises Limited, Sinoman International Limited, Kenworth Enterprises Limited, Twilight Enterprises Limited and Madam Chiu Gee Chai is deemed to be interested in 500,000 ordinary shares in Argos Bus Services (China) Company Limited, a subsidiary of the Company.
- The issued share capital of Kenworth Enterprises Limited is beneficially owned by Mr. Wong Wah Sang, an executive Director and chairman of the Company, as to 22.23 per cent., Mr. Wong Man Fung, Anthony as to 11.11 per cent., Mr. Wong Man Che, Edward as to 11.11 per cent., Mr. Wong Man Ka, Stephen as to 11.11 per cent., Ms. Wong Man Hing, Alice, the wife of Mr. Kwan Yan Ming, as to 11.11 per cent., Mr. Wong Man Chiu, Ronnie, an executive Director, as to 11.11 per cent., Mr. Wong Man Kon, John as to 11.11 per cent. and Mr. Wong Man Kong, Peter as to 11.11 per cent., Mr. Wong Wah Sang is the father of the other shareholders mentioned above and is also the elder brother of Mr. Wong, Wilson, the former executive Director.

In the event that the Directors exercise in full the power to repurchase Shares in accordance with the Repurchase Mandate, the total interests of the above Shareholders in Shares would be increased to:

Name of Shareholders	Percentage of shareholdings <i>(per cent.)</i>
Sino Market Enterprises Limited	77.8%
Sinoman International Limited	77.8%
Twilight Enterprises Limited	77.8%
Kenworth Enterprises Limited	77.8%
Wilson Wong	77.8%
Chiu Gee Choi	77.8%

The Directors do not propose to exercise the repurchase mandate to such extent as to result in the number of listed Shares which are in the hands of the public falling below the prescribed minimum as required by the Stock Exchange.

9. SHARE REPURCHASE MADE BY THE COMPANY

No repurchases of Shares have been made by the Company in the previous six months preceding the Latest Practicable Date, whether on GEM or otherwise.