
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 (the “Company”), you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or the transferee or to the bank, stockbroker 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.

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)

**NOTICE OF ANNUAL GENERAL MEETING
PROPOSED GENERAL MANDATES TO ISSUE AND
REPURCHASE SHARES
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
RE-ELECTION OF DIRECTORS**

The notice convening the annual general meeting (“AGM”) of the Company to be held at the Function Room, Kowloon Bowling Green Club, 123 Austin Road, Kowloon, Hong Kong on Saturday, 29 April 2006 at 10:00 a.m. is contained on pages 13 to 18 of this circular of the Company. Shareholders of the Company are advised to read the notice and to complete and return the form of proxy for use at the AGM enclosed with the circular of the Company in accordance with the instructions printed thereon.

A form of proxy for the AGM is enclosed with this circular. Whether you are able to attend or not, please complete and return the enclosed form of proxy to the branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, 46th Floor, 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 the holding of the AGM or any adjournment thereof. The completion and delivery of a form of proxy will not preclude you from attending and voting at the AGM or any adjournment thereof in person.

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

7 April 2006

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET OF THE STOCK EXCHANGE OF HONG KONG LIMITED

The Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (“Stock Exchange”) 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 at www.hkgem.com in order to obtain up-to-date information on GEM-listed issuers.

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 of the Company having made all reasonable enquires, confirm that, to the best of their knowledge and belief:

- (i) the information contained in the 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 herein 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.

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DEFINITIONS

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

“2005 Annual Report”	means the annual report of the Company for the year ended 31 December 2005
“AGM”	means annual general meeting of the Company to be convened and held at the Function Room, Kowloon Bowling Green Club, 123 Austin Road, Kowloon, Hong Kong on Saturday, 29 April 2006 at 10:00 a.m. on any adjournment therefore
“Articles of Association”	means the articles of association of the Company
“Associates”	has the same meaning as ascribed thereto under the GEM Listing Rules
“Board”	means the board of Directors
“Company”	means Argos Enterprise (Holdings) Ltd, a company incorporated in Hong Kong with limited liability and the Shares of which are listed on GEM
“Director(s)”	means the directors of the Company
“GEM”	means the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	means the Rules Governing the Listing of Securities on the GEM
“Group”	means the Company and its subsidiaries
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong Special Administrative Region of the PRC
“Issue Mandate”	means the proposed general mandate to be granted to the Directors to permit the allotment and issue of new Shares equal in aggregate up to a maximum of 20% of the aggregate nominal amount of the ordinary share capital of the Company in issue as at the date of passing of the relevant resolution granting such mandate
“Latest Practicable Date”	means 31 March 2006, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Notice”	means the notice convening the AGM

DEFINITIONS

“PRC”	means People’s Republic of China, which for the purpose of this circular, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Repurchase Mandate”	means a general mandate proposed to be granted to the Directors to exercise the power of the Company to repurchase Shares on the terms set out in the Notice
“SFO”	means Securities and Futures Ordinances, Cap. 571 of the Laws of Hong Kong
“Share(s)”	means ordinary share(s) of par value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	means holder(s) of the Shares
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited
“Takeovers Code”	means the Hong Kong Code on Takeovers and Mergers
“%”	means per cent

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

7 April 2006

To Shareholders

Dear Sir or Madam,

**NOTICE OF ANNUAL GENERAL MEETING
PROPOSED GENERAL MANDATES TO ISSUE AND
REPURCHASE SHARES
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
RE-ELECTION OF DIRECTORS**

INTRODUCTION

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the AGM to be held at the Function Room, Kowloon Bowling Green Club, 123 Austin Road, Kowloon, Hong Kong on Saturday, 29 April 2006 at 10:00 a.m. which, upon approval, would enable the Company to, among other things:

- (a) allot, issue and deal with additional shares of the Company and to make or grant offers, agreements, options and warrants not exceeding 20% of the aggregate nominal value of the share capital of the Company in issue as at the date of passing such resolution;

LETTER FROM THE BOARD OF DIRECTORS

- (b) repurchase shares not exceeding 10% of the aggregate nominal value of the shares of the Company in issue as at the date of passing such resolution;
- (c) add to the general mandate for issuing shares set out in (a) above, and the number of shares repurchased by the Company pursuant to the Repurchase Mandate set out in (b) above;
- (d) amend the Articles of Association; and
- (e) re-elect the retiring Directors.

THE GENERAL MANDATES

At the annual general meeting of the Company held on 29 April 2006, general mandates were granted to the Directors to repurchase and to issue the shares of HK\$0.01 each in the Shares on the GEM of the Stock Exchange (the “Mandates”). The Mandates will expire at the conclusion of the forthcoming AGM. The Directors will propose an ordinary resolution at the AGM to give a general mandate to the Directors to exercise all powers of the Company to repurchase on GEM Shares up to a maximum of 10% of the issued share capital of the Company as at the date of passing the relevant resolution.

It will also be proposed at the AGM separate ordinary resolutions granting to the Directors a general mandate to allot, issue and deal with additional Shares not exceeding 20% of the issued ordinary share capital of the Company as at the date of passing the resolution, and adding to such general mandate so granted to the Directors any additional Shares representing the aggregate nominal amount of the Shares repurchased by the Company after the granting of the general mandate to repurchase Shares up to 10% of the issued share capital of the Company as at the date of passing the relevant resolution for the Repurchase Mandate.

The Repurchase Mandate and the Issue Mandate would continue in force until (a) the conclusion of the next annual general meeting of the Company; (b) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws of the Hong Kong or the articles of association of the Company to be held; or (c) until the Repurchase Mandate and/or the Issue Mandate is/are revoked or varied by an ordinary resolution of the Shareholders in general meeting, whichever is the earliest.

An explanatory statement containing information relating to the Repurchase Mandate and as required pursuant to the GEM Listing Rules, in particular Rule 13.08, is set out in Appendix II to this circular. This explanatory statement provides you with 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.

LETTER FROM THE BOARD OF DIRECTORS

RE-ELECTION OF DIRECTORS

As at the Latest Practicable Date, the Board comprised three executive directors namely Mr. Wong Wah Sang (Chairman), Mr. Wong Man Chiu, Ronnie and Mr. Yeung Wai Hung; one non-executive director namely Mr. Wilkie Wong; and three independent non-executive directors namely Mr. Sung Wai Tak, Herman, Mr. Cheung Man Yau, Timothy and Mr. Wong Lit Chor, Alexis.

Pursuant to Article 87 of the Articles of Association, Mr. Wang Man Chiu, Ronnie will retire by rotation, and being eligible, offer themselves for re-election at the AGM.

Biographical details of the above retiring Directors to be re-elected which are required to be disclosed under the GEM Listing Rules are set out in Appendix I to this circular.

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Stock Exchange has revised the GEM Listing Rules relating to corporate governance practices and appendix 3 relating to articles of association which took effect on 1 January, 2005 and 1 March 2006 respectively. The Directors therefore propose to make certain amendments to the Articles of Association in compliance with the amended GEM Listing Rules. Accordingly, the Directors wish to seek approval of the Shareholders at the AGM for the following amendments:

(A) Article 86(3)

By deleting the existing Article 86(3) in its entirety and substituting therefore the following new Article 86(3):–

“86(3) The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director so appointed by the Board shall hold office only until the first general meeting of the Company after his appointment and shall then be eligible for re-election.”

(B) Article 86(5)

By deleting the existing Article 86(5) in its entirety and substituting therefore the following new Article 86(5):–

“86(5) The Members may, at any general meeting convened and held in accordance with these Articles, by ordinary resolution remove a Director at any time before the expiration of his period of office notwithstanding anything to the contrary in these Articles or in any agreement between the Company and such Director (but without prejudice to any claim for damages under any such agreement).”

LETTER FROM THE BOARD OF DIRECTORS

(C) Article 87(1)

By deleting the existing Article 87(1) in its entirety and substituting therefore the following new Article 87(1):–

“87(1) Notwithstanding any other provisions in the Articles, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (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 specified term or holding office as chairman of the Board and/or the managing director of the Company) shall be subject to retirement by rotation at least once every three years or within such other period as the Designated Stock Exchange may from time to time prescribe or within such other period as the laws of such jurisdiction applicable to the Company.”

Demand for poll at the AGM

According to the Articles of Association, where a resolution is put to the vote at the AGM, the resolution 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 the AGM; or
- (b) by a least three Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorised representative) or by proxy for the time being entitled to vote at the AGM; or
- (c) 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 representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the AGM; 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 conferring a right to vote at the AGM 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 shares conferring that right.

On a poll votes may be given either personally or by proxy.

LETTER FROM THE BOARD OF DIRECTORS

RECOMMENDATION

The Directors are of the opinion that the proposals referred to in this circular are in the best interests of the Company and its Shareholders and recommend you to vote in favour of the resolutions relating to the general mandates, re-election of Directors and amendments to the Articles of Association to be proposed at the AGM.

Yours faithfully,
By Order of the Board
Argos Enterprise (Holdings) Limited
Wong Wah Sang
Chairman

The following are the particulars of the Directors (as required by the GEM Listing Rules) proposed to be re-elected at the AGM to be held on Saturday, 29 April 2006 at 10:00 a.m..

Mr. WONG Man Chiu, Ronnie (王敏超), J.P., B.Sc., M.B.A., aged 53 a son of Mr. Wong Wah Sang. Mr. Ronnie Wong has been appointed the deputy managing director of Argos Hong Kong since 1992 and he is currently an executive director in Wong's Investment (Holdings) Co., Ltd. Mr. Ronnie Wong's experience covers areas including shipbuilding, engineering, property development, transportation, tourism and entertainment. Mr. Ronnie Wong is a very prominent figure in the community services arena, for instance, he was a member of the Basic Law Consultative Committee and an elected Urban Councillor. Mr. Wong Man Chiu, Ronnie, is a director of Sino Market Enterprises Limited, the controlling shareholder of the Company. He got nil director's remuneration for the financial year 2005.

Mr. WONG Lit Chor, Alexis (黃烈初), B.A., M.B.A., aged 47, was appointed an independent non-executive director of the Company on 24 September 2004. He has over 20 years of banking, investment, corporate finance and securities dealing experience gained from working as a senior executive in a number of listed local and PRC financial services companies. He is currently a director of Quam Capital (Holdings) Limited, a subsidiary of Quam Limited. He is also an independent non-executive director of Lang Chao International Limited and CIG-WH International (Holdings) Limited, which are companies listed on GEM Board and Main Board of The Stock Exchange of Hong Kong respectively. Mr. Wong is also an independent non-executive director of Wing Hing International (Holdings) Limited, a company listed on the Main Board of the Stock Exchange engaged in construction. Mr. Wong got HK\$50,000 remuneration per year for 1 January 2005 to 31 December 2005.

Save as disclosed above, Mr. Wong does not have any relationship with any other Directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company. Mr. Wong does not have any interest in the Shares of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, the Company is not aware of any other matters in relation to Mr. Wong Man Chiu, Ronnie and Mr. Wong Lit Chor, Alexis that are required to be disclosed pursuant to paragraphs (h) to (v) of Rule 17.50(2) of the GEM Listing Rules or any matters that need to be brought to the attention of the holders of securities of the Company in relation to re-election of Mr. Wong Man Chiu, Ronnie and Mr. Wong Lit Chor, Alexis as Directors.

This is an explanatory statement given to all Shareholders relating to a resolution to be proposed at the AGM authorizing the Repurchase Mandate.

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

1. EXERCISE OF THE REPURCHASE MANDATE

Assuming no Shares are issued or repurchased prior to the AGM and on the basis of 180,000,000 Shares in issue as at the Latest Practicable Date, the exercise of the Repurchase Mandate in full could result in up to 18,000,000 Shares to be repurchased by the Company during the period up to the conclusion of the next AGM of the Company, the expiration of the period within which the next AGM of the Company is required by any applicable law or the articles of association of the Company to be held or when the Repurchase Mandate is revoked or varied by an ordinary resolution by the Shareholders in general meeting, whichever is the earliest.

2. REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and its Shareholders for the Directors to have a general authority from Shareholders to enable the Company to repurchase Shares in the market. Repurchases of Shares will only be made when the Directors believe that such a repurchase will benefit the Company and its Shareholders. Such repurchases may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its 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. EFFECT OF EXERCISE OF THE REPURCHASE MANDATE

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements contained in the 2005 Annual Report) 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 Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. DISCLOSURE OF INTERESTS

None of the Directors and, to the best of their knowledge, having made all reasonable enquiries, none of their respective Associates, have any present intention, if the Repurchase Mandate is exercised, to sell any Shares to the Company or its subsidiaries.

No connected person (as defined in the GEM Listing Rules) has notified the Company that they have a present intention to sell Shares to the Company if the Repurchase Mandate is exercised.

6. DIRECTORS' UNDERTAKING

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 the Hong Kong and in accordance with the regulations set out in the Memorandum of Association and Articles of the Company.

7. 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	<i>Note</i>	Number of Shares	Percentage of issued share capital <i>(per cent.)</i>
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	3	126,000,000	70%
Chiu Gee Choi	4	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.

3. 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.
4. By virtue of Part XV of the SFO, Madam Chiu Gee Chai is deemed to be interested in 126,000,000 shares.
5. 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.

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 (per cent.)
Sino Market Enterprises Limited	77.8%
Sinoman International Limited	77.8%
Twilight Enterprises Limited	77.8%
Kenworth Enterprises Limited	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.

8. 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.

9. 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>
2005		
April	0.280	0.100
May	0.220	0.160
June	0.210	0.200
July	0.210	0.120
August	0.190	0.100
September	0.200	0.120
October	0.190	0.100
November	0.200	0.100
December	0.180	0.160
2006		
January	0.190	0.170
February	0.170	0.090
March	0.160	0.120

10. 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.

NOTICE OF ANNUAL GENERAL MEETING



ARGOS ENTERPRISE (HOLDINGS) LIMITED

雅高企業(集團)有限公司

(Incorporated in Hong Kong with limited liability)

(STOCK CODE: 8022)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of China Advance Holdings Limited (the "Company") will be held at 10:00 a.m. on 29 April 2006 (Saturday) at the Function Room, Kowloon Bowling Green Club, 123 Austin Road, Kowloon, Hong Kong to transact the following ordinary business:

1. to receive and consider the audited consolidated financial statements and the reports of the directors (the "Directors") of the Company and auditors for the year ended 31 December 2005;
2. to re-elect Directors and to authorise the board of Directors to fix the Directors' remuneration;
3. to re-appoint auditors and to authorise the board of Directors to fix their remuneration;
4. as special business, to consider and, if thought fit, passing the following resolutions (the "Resolution(s)") as ordinary Resolutions:

A. "THAT:

- (a) subject to paragraph (c) below, pursuant to the Rules (the "GEM Listing Rules") Governing the Listing of Securities on the Growth Enterprise Market ("GEM") operated by The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the exercise by the Directors during the Relevant Period (as herein defined) of all the powers of the Company to allot, issue and deal with unissued shares (each a "Share") of HK\$0.01 each in the share capital of the Company and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above 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;

NOTICE OF ANNUAL GENERAL MEETING

- (c) the aggregate nominal amount of share capital 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) above, otherwise than pursuant to:
 - (i) a Rights Issue (as herein defined); or
 - (ii) the exercise of any options granted under the share option scheme of the Company; or
 - (iii) any scrip dividend or similar arrangements providing for the allotment and issue 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 warrants of the Company or any securities which are convertible into Shares, shall not exceed the aggregate of:
 - (aa) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this Resolution; and
 - (bb) (if the Directors are so authorised by a separate ordinary Resolution of the shareholders of the Company) 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 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of that Resolution),

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

- (d) for the purposes of this Resolution:

“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 articles of association of the Company or any applicable laws to be held; and

NOTICE OF ANNUAL GENERAL MEETING

- (iii) the passing of an ordinary Resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this Resolution;

“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 then holdings of Shares (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 outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

B. “THAT:

- (a) subject to paragraph (b) of this Resolution, the exercise by the Directors during the Relevant Period (as herein defined) of all powers of the Company to repurchase the Shares on the Stock Exchange or any other stock exchange on which the Shares of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange, the GEM Listing Rules and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares which may be repurchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this Resolution and the authority pursuant to paragraph (a) of this Resolution shall be limited accordingly; and
- (c) for the purposes of this Resolution, **“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 articles of association of the Company or any applicable laws to be held; and
 - (iii) the passing of an ordinary Resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this Resolution.”

NOTICE OF ANNUAL GENERAL MEETING

C. “**THAT** the Directors be and they are hereby authorised to exercise the authority referred to in paragraph (a) of Resolution no. 4A above in respect of the share capital of the Company referred to in sub-paragraph (bb) of paragraph (c) of such Resolution.”; and

5. as special business, to consider and, if thought fit, passing the following resolution as a special resolution:–

“**THAT** the articles of association of the Company be and are amended in the following manner:–

(a) Article 66

(a) 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 “A resolution put to the vote of a meeting shall be decided on a show of hands unless” in the first paragraph of the existing article 66;

(b) Deleting the full stop at the end of Article 66(d) and replacing it with a “; or” and adding the following new Article 66(e) immediately after the existing Article 66(d):

“66(e) if required by the rules of the Designated Stock Exchange, by the chairman of the meeting or 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.”

(b) Article 68

By deleting the sentence “There shall be no requirement for the chairman to disclose the voting figures on a poll” in the existing article 68 in its entirety and substituting thereof with a new sentence “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”.

NOTICE OF ANNUAL GENERAL MEETING

(c) Article 86(3)

By deleting the existing Article 86(3) in its entirety and substituting therefor the following new Article 86(3):–

“86(3) The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a causal vacancy on the Board or as an addition to the existing Board. Any Director so appointed by the Board shall hold office only until the first general meeting of the Company after his appointment and shall then be eligible for re-election.”

(d) Article 86(5)

By deleting the existing Article 86(5) in its entirety and substituting therefore the following new Article 86(5):–

“86(5) The Members may, at any general meeting convened and held in accordance with these Articles, by ordinary resolution remove a Director at any time before the expiration of his period of office notwithstanding anything to the contrary in these Articles or in any agreement between the Company and such Director (but without prejudice to any claim for damages under any such agreement).”

(e) Article 87(1)

By deleting the existing Article 87(1) in its entirety and substituting therefore the following new Article 87(1):–

“87(1) Notwithstanding any other provisions in the Articles, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (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 specified term or holding office as chairman of the Board and/or the managing director of the Company) shall be subject to retirement by rotation at least once every three years or within such other period as the Designated Stock Exchange may from time to time prescribe or within such other period as the laws of such jurisdiction applicable to the Company.”

NOTICE OF ANNUAL GENERAL MEETING

(f) Article 87(2)

By deleting the first sentence “A retiring Director shall be eligible for re-election.” in the existing article 87(2) and substituting thereof with a new sentence “A retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he retires.””

As of the date hereof, the executive directors are Mr. Wong Wah Sang (Chairman), Mr. Wong Man Chiu, Ronnie, and Mr. Yeung Wai Hung; (the non-executive director is Mr. Wilkie Wong;) while the independent non-executive director are Messrs. Sung Wai Tak, Herman, Cheung Man Yau, Timothy and Mr. Wong Lit Chor, Alexis.

By order of the Board
Choi Kie Chung
Company Secretary

Hong Kong, 7 April 2006

Notes:

1. A Member may appoint more than one proxy to represent him and vote on his behalf. A proxy need not be a 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. To be valid, a form of proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power of attorney or authority, must be lodged with the Company’s Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, 46/F, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not less than 48 hours before the time appointed for holding the Meeting.
3. An explanatory statement containing further details regarding Resolution Nos. 4 to 6 above will be sent to shareholders shortly together with the 2005 Annual Report.

This announcement, for which the directors of the Company (the “Directors”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited 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: – (1) the information contained in this announcement 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 announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the “Latest Company Announcements” page of the GEM website for at least seven days from its date of publication.