
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 your stockbroker, or other licensed securities dealer, bank manager, solicitors, 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 and the accompanying form of proxy to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

This circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities.

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 losses howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

The logo for Argos, featuring the word "Argos" in a bold, italicized, sans-serif font.

ARGOS ENTERPRISE (HOLDINGS) LIMITED

雅高企業（集團）有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 8022)

**ISSUE OF CONVERTIBLE BONDS
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening an extraordinary general meeting of the Company to be held at Room 1113, 11th Floor, Block A2, Yau Tong Industrial City, 17 Ko Fai Road, Kowloon, Hong Kong on 8 October 2007 at 11:00 a.m. is set out on page 13 of this circular. A form of proxy for use at the extraordinary general meeting is enclosed.

Whether or not you intend to attend and vote at the extraordinary general meeting, you are requested to complete and return the enclosed form of proxy to the Company’s share registrar and transfer office, Computershare Hong Kong Investor Services Limited at 46th Floor., Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the extraordinary general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the extraordinary general meeting or any adjournment thereof should you so wish.

This circular will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for seven days from the date of its publication.

20 September 2007

CHARACTERISTICS OF GEM

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

“associates”	has the meaning ascribed thereto in the GEM Listing Rules
“Board”	board of the Directors
“Code”	The Hong Kong Code on Takeovers and Mergers
“Company”	Argos Enterprise (Holdings) Limited, a company incorporated in Hong Kong with limited liability and the issued Shares of which are listed on GEM
“Completion”	completion of the Subscription Agreement
“connected persons”	has the meaning ascribed thereto in the GEM Listing Rules
“Conversion Price”	the conversion price at which the Convertible Bonds may be converted into Conversion Shares, which is initially HK\$0.20 per Conversion Share (subject to adjustment)
“Conversion Shares”	the Shares which may fall to be allotted and issued upon exercise of the conversion rights attaching to the Convertible Bonds
“Convertible Bonds”	the convertible bonds in principal amount of HK\$7.2 million to be issued by the Company to the Subscriber pursuant to the Subscription Agreement
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of Company to be convened to consider and, if thought fit, approve the issue of the Convertible Bonds and the Conversion Shares to be allotted and issued upon the exercise of the conversion rights attaching to the Convertible Bonds
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of the Company and connected persons (as defined in the GEM Listing Rules) of the Company

DEFINITIONS

“Latest Practicable Date”	20 September 2007, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“Listing Committee”	the GEM Listing Committee of the Stock Exchange
“Long Stop Date”	31 December 2007 (or such other date as may be agreed by the Company and the Subscriber in writing)
“PRC”	the People’s Republic of China
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Sharp Mode Limited, an company incorporated in the British Virgin islands with limited liability and is wholly and beneficially owned by Mr. Chow Chun Yee
“Subscription”	the subscription of the Convertible Bonds by the Subscriber pursuant to the terms of the Subscription Agreement
“Subscription Price”	HK\$7,200,000, being the subscription price of the Convertible Bonds
“Subscription Agreement”	the subscription agreement dated 7 August 2007 and entered into between the Company and the Subscriber in relation to the subscription and issue of the Convertible Bonds
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



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 (*Chairman*)

Mr. Wong Man Chiu, Ronnie

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 and principal place of
business in Hong Kong:*

Room 1113, 11th Floor

Block A2, Yau Tong Industrial City

17 Ko Fai Road

Kowloon

Hong Kong

20 September 2007

To the Shareholders

Dear Sir or Madam,

**ISSUE OF CONVERTIBLE BONDS
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the announcement of the Company dated 29 August 2007 in respect of the subscription of the Convertible Bonds in the principal amount of HK\$7.2 million by the Subscriber. The purpose of this circular is to provide you with (i) details of the Subscription; and (ii) the notice of EGM.

THE SUBSCRIPTION AGREEMENT

On 7 August 2007, the Company and the Subscriber entered into the Subscription Agreement in respect of the proposed issue of the Convertible Bonds in the principal amount of HK\$7,200,000. Completion of the Subscription Agreement is subject to the fulfillment of the conditions as set out in the paragraph headed "Conditions precedent" below.

1) Parties

Date: 7 August 2007

LETTER FROM THE BOARD

Issuer: the Company

Subscriber: the Subscriber, an Independent Third Party

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Subscriber and its ultimate beneficial owner is an Independent Third Party. The Subscriber is a company with limited liability incorporated in the British Virgin Islands for the purpose of investment holdings. The Subscriber is wholly and beneficially owned by Mr. Chow Chun Yee. As at the Latest Practicable Date, the Subscriber and Mr. Chow Chun Yee do not hold any Shares or other securities in the Company.

2) Conditions precedent

The obligations of the parties to the Subscription Agreement to effect Completion is conditional upon:

- (a) the Listing Committee having granted (either unconditionally or subject only to conditions to which the Company and the Subscriber have no reasonable objection) listing of and permission to deal in the Conversion Shares;
- (b) if necessary, the Shareholders having approved the transactions contemplated in the Subscription Agreement and the issue of the Convertible Bonds and the issue and allotment of the Conversion Shares upon the exercise of the conversion rights attaching to the Convertible Bonds or otherwise pursuant to the conditions at the EGM;
- (c) the Subscriber being satisfied in its absolute discretion with the results of the due diligence review to be conducted on the assets, liabilities, affairs and operations of the Group;
- (d) the warranties given by the Company to each of the Subscribers under the Subscription Agreement remaining true, accurate and complete in all material respects; and
- (e) all necessary consents and approvals required to be obtained on the part of the Company and the Subscriber in respect of the Subscription Agreement and the transactions contemplated thereby having been obtained.

If any of the above conditions are not fulfilled on or before Long Stop Date, the Subscription Agreement will lapse and become null and void and the parties thereto shall be released from all obligations hereunder, save the liabilities for any antecedent breaches thereof.

3) Deposit

The Subscriber has paid the aggregate sum of HK\$7,200,000 in cash to the Company upon signing the Subscription Agreement as full payment and deposit for the Subscription Price.

LETTER FROM THE BOARD

In the event that the conditions precedent cannot be fulfilled on or before the Long Stop Date or Completion cannot take place as stipulated in the Subscription Agreement for whatever reasons (other than as a result of the sole default of the Subscriber), the Company shall forthwith refund the paid Subscription Price together with interest accrued thereon (calculated at the agreed interest rate of 5% per annum) in cash to the Subscriber.

Save for that the Subscriber may terminate the Subscription Agreement in the circumstances as set out in the section headed "Termination" below, subject to the fulfillment of the conditions of the Subscription, the Subscription Agreement will only be terminable as a result of the default of either the Company or the Subscriber.

In the event that Completion cannot take place as a result of the sole default of the Subscriber, the Company shall forthwith refund 90% of the paid Subscription Price together with interest accrued thereon (calculated at the agreed interest rate of 5% per annum) in cash to the Subscriber. The Company shall retain the 10% paid Subscription Price as liquidated damages.

The 5% interest rate was determined after arm's length negotiations between the Company and the Subscriber with reference to the borrowing costs obtainable by the Company. The Directors (including the independent non-executive Directors) consider that the 5% interest rate is at terms not less favourable than the best borrowing costs obtainable by the Company at prevailing credit market conditions.

The full payment of the Subscription Price as deposit was agreed among the relevant parties as a result of the combination of various factors during the commercial negotiation process. In order to meet the funding requirement of the Group, the Company decided to seek external investors who are interested in investing in the Company. To the best knowledge of the Directors, the Subscriber is confident about the business and financial prospects of the Company and is fully aware of the current suspension in trading of Shares and the associated risks. On the other hand, the Company is in need to satisfy its impending working capital requirement, in particular for replacement of old buses which aged over 10 years. As trading in the Shares is now in suspension, the Company has difficulty in getting debt financing to achieve the said purpose.

In addition, the Subscriber is satisfied with the term that the deposit will be refunded in full by the Company with interest in the event that Completion cannot take place as stipulated. The Company will, on the other hand, have immediate funds available for its working capital requirement. In short, the full deposit from the Subscriber was agreed between the Company and the Subscriber after arm's length negotiations and taking into consideration of various factors, including but not limited to the working capital requirements of the Group in funding the expansion of its PRC business operations.

The terms of the Subscription Agreement are arrived at after arms length negotiations between the Company and the Subscriber and the full deposit is subject to conditions precedent to the Subscription of the Convertible Bonds. In the event the conditions precedent of the Subscription cannot be fulfilled, the Company has to repay the full deposit with interest to the Subscriber.

LETTER FROM THE BOARD

4) Principal terms of the Convertible Bonds

Principal amount: HK\$7,200,000 which will be issued by the Company at its full face value.

Interest rate: The Convertible Bonds shall carry interest at the rate of 1% per annum.

Maturity date: Unless previously cancelled or converted, any outstanding Convertible Bonds shall be converted into Conversion Shares on the date falling on the first anniversary of the date of issue of the Convertible Bonds, being the maturity date of the Convertible Bonds.

Ranking: The Convertible Bonds constitute general and unsecured obligations of the Company and rank equally among themselves and pari passu with all other present and future unsecured and unsubordinated obligations of the Company.

Early redemption: The Bond cannot be redeemed by the Company.

Mandatory conversion: The Company may at any time on or before the Maturity Date by serving at least thirty (30) days' prior written notice on the holder of the Convertible Bonds to require the holder thereof to mandatorily convert any outstanding Convertible Bonds in integral multiples of HK\$1,000,000 (save for that if the aggregate outstanding amount of the Convertible Bonds is less than HK\$1,000,000, the whole of the outstanding principal amount of the Convertible Bonds) into Conversion Shares at the then applicable Conversion Price.

Conversion: Provided that any conversion of the Convertible Bonds does not trigger off a mandatory offer under rule 26.1 of the Code on the part of the Subscriber, the Subscriber will have the right to convert the whole or part of the principal amount of the Convertible Bonds into Conversion Shares at any time and from time to time, from the date of issue of the Convertible Bonds up to and including their maturity date in amounts of not less than a whole multiple of HK\$1,000,000 on each conversion.

The restriction regarding the conversion under the Convertible Bonds remains valid throughout the terms of the Convertible Bonds.

LETTER FROM THE BOARD

- Conversion Price: The Conversion Price is initially HK\$0.20 per Conversion Share, subject to adjustment for adjustment events as set out below. The initial Conversion Price represents:
- (a) a discount of approximately 13.04% to the closing price of HK\$0.23 per Share as quoted on the Stock Exchange on 23 March 2007, being the last trading day of the Shares immediately before the date of the Subscription Agreement; and
 - (b) a discount of approximately 12.13% to the average of the closing prices of HK\$0.2276 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 23 March 2007, being the last trading day of the Shares immediately before the date of the Subscription Agreement.
- Adjustment to the Conversion Price: The Conversion Price is subject to adjustment based on the prescribed formulae as set out in the instrument forming the Convertible Bonds for the happening of the adjustment events, including but not limited to:
- (i) an alteration of the nominal amount of each Share by reason of any consolidation or subdivision;
 - (ii) an issue (other than in lieu of a cash dividend) by the Company of any Shares credited as fully paid by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve fund);
 - (iii) a capital distribution (in cash or in specie) to Shareholders (whether on a reduction of capital or otherwise);
 - (iv) an offer of new Shares for subscription by way of rights, or any options or warrants granted to holders of Shares to subscribe for new Shares at a price which is less than 90% of the market price of the Shares of the date of the announcement of the terms and offer or grant being made; and
 - (v) an issue of Shares being made wholly for cash at a price less than 90% of the market price of the Shares on the date of announcement of the issue (whether or not such issue is subject to the approval of the Shareholders).

LETTER FROM THE BOARD

Every adjustment to the Conversion Price shall be certified (at the option of the Company) either by the auditors of the Company for the time being or by an approved merchant bank.

Voting: The Subscriber will not be entitled to attend or vote at any general meeting of the Company by reason only of it being the holder of the Convertible Bonds.

Transfer: With the prior written consent of the Company, the Convertible Bonds may be transferable provided that no transfer or assignment of the Convertible Bonds shall be made to any connected persons of the Company.

Based on the Conversion Price of HK\$0.20 per Conversion Share, a maximum number of 36,000,000 Conversion Shares will be allotted and issued upon exercise of the conversion rights attached to the Convertible Bonds in full, which represent: (i) 20.00% of the issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares. There are no restrictions on the transfer or subsequent sale of the Conversion Shares upon their issue.

The Conversion Shares will rank *pari passu* in all respects with the Shares then in issue as at the date of allotment and issue of the Conversion Shares.

No application will be made for the listing of, or permission to deal in, the Convertible Bonds on the Stock Exchange or any other stock exchange. Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

5) Completion

Completion of the Subscription Agreement shall take place on the third business day following the date on which the above conditions are fulfilled (or such other date as may be agreed between the Company and the Subscriber).

6) Termination

The Subscriber may, by notice to the Company given at any time prior to Completion, terminate the Subscription Agreement in any of the following circumstances:

- (a) in the reasonable opinion of the Subscriber, the success of the Subscription would be materially and adversely affected by:
 - (i) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Subscriber materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Subscription; or

LETTER FROM THE BOARD

- (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Subscriber materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and makes it inexpedient or inadvisable to proceed with the Subscription; or
- (iii) any adverse change in market conditions (including without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the reasonable opinion of the Subscriber is likely to materially or adversely affect the success of the Subscription or otherwise makes it inexpedient or inadvisable to proceed with the Subscription; or
- (iv) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
- (v) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than 15 consecutive business days, excluding any suspension in connection with the clearance of the announcement, the circular or other documents in connection with the Subscription; or
- (vi) any material breach of any of the representations, warranties or undertakings contained in the Subscription Agreement comes to the knowledge of the Subscriber.

In the event that the Subscriber terminates the Subscription Agreement, the obligations of all parties under the Subscription Agreement shall terminate forthwith and no party shall have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches.

REASONS FOR THE ISSUE OF CONVERTIBLE BONDS

The Directors (including the independent non-executive Directors) consider that the issue of the Convertible Bonds is an appropriate means of raising additional fund for the Company since it will not have an immediate dilution effect on the shareholding of the existing Shareholders.

The Directors (including the independent non-executive Directors) consider that the terms and conditions of the Subscription Agreement, which were arrived at after arm's length negotiations between the Company and the Subscriber, are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. The net proceeds from the issue of the Convertible Bonds of approximately HK\$6.8 million will be applied towards the general working capital of the Group for the working capital requirements of the Group in funding the expansion of the Group's PRC business operations, as to approximately HK\$6,500,000 will be used by Nanjing Public Transport Argos Bus Company Limited, the

LETTER FROM THE BOARD

principal operating subsidiary of the Group in the PRC, for: (i) replacement of new buses, as most of the buses have been used for over 10 years and the Group is required by the Nanjing Public Transportation Department to replace such over 10-years-old buses; and (ii) the working capital for its daily operation and the remaining part of the proceeds will be applied towards to the general working capital of the Company in Hong Kong.

SHAREHOLDING STRUCTURE

The shareholding structure of the Company as at the Latest Practicable Date and immediately after full conversion of the Convertible Bonds is as follows:

Shareholders	At the Latest Practicable Date		Immediately after full conversion of the Convertible Bonds in full	
	<i>No. of Shares</i>	<i>Approximate percentage</i>	<i>No. of Shares</i>	<i>Approximate percentage</i>
Sino Market Enterprises Limited (<i>Note</i>)	112,284,000	62.38%	112,284,000	51.98%
Subscriber	–	–	36,000,000	16.67%
Public Shareholders	67,716,000	37.62%	67,716,000	31.35%
Total	<u>180,000,000</u>	<u>100%</u>	<u>216,000,000</u>	<u>100%</u>

Note:

Sino Market Enterprises Limited is owned as to approximately 22.6% by Mellin Enterprises Limited, as to approximately 22.6% by Mr. Yeung Wai Hung, an executive Director and as to approximately 54.8% by Sinoman International Limited. Mellin Enterprises Limited is owned as to 50% by Mr Wong Wah Sang and as to 50% by Mr. Wong Man Chiu. Both Mr. Wong Wah Sang and Mr. Wong Man Chiu, Ronnie are executive Directors. Sinoman International Limited was owned as to 100% by Twilight Enterprises Limited, which in turn, is beneficially owned as to 12.5% by Mr. Wilkie Wong, as to 12.5% by Mr. Wong Wai Lok, William, as to 12.5% by Ms. Wong Wai Yee, Winnie, as to 12.5% by Ms. Wong Wai Ying, Vivian and as to 50% by Madam Chiu Gee Chai.

There are no provisions contained in the Subscription Agreement conferring the Subscriber with the right to nominate any persons to the Board. The Subscriber has no present intention to seek any board representations in the Company or any of its subsidiaries.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any fund raising activities in the past twelve months before the date of the announcement of the Company dated 29 August 2007.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENTS

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:

- (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.

EGM

Set out on page 13 of this circular is a notice convening the EGM to consider and, if thought fit, to approve the Subscription Agreement and the transactions contemplated thereunder, including but not limited to the issue of the Convertible Bonds to the Subscriber and the allotment and issue of the Conversion Shares upon the exercise of the conversion rights under the Convertible Bonds. A form of proxy for use at the EGM is enclosed herewith.

Whether or not you intend to attend and vote at such meeting, you are requested to complete and return the enclosed form of proxy to the Company's share registrar and transfer office, Computershare Hong Kong Investor Services Limited at 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

To the best of the Directors' knowledge, as at the Latest Practicable Date, the Subscriber and its associates do not hold any Shares. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders have a material interest in the proposed issue of the Convertible Bonds and therefore are required to abstain from voting at the EGM under the GEM Listing Rules.

PROCEDURES FOR DEMANDING A POLL

Pursuant to article 81 of the articles of association of the Company, 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;

LETTER FROM THE BOARD

- (ii) by at least three members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting;
- (iii) by any member or members present in person (or, in the case of a member 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 the members having the right to vote at the meeting; or
- (iv) by any member or members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Unless a poll is so demanded and not withdrawn, a declaration by the chairman that a resolution has on a show of hands been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the Company's book containing the minutes of proceedings of meetings of the Company shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the Subscription Agreement is in the interests of the Company and the Shareholders as a whole and accordingly recommend the Shareholders to vote in favour of the ordinary resolution approving the Subscription at the EGM.

By order of the Board
Argos Enterprise (Holdings) Limited
Yeung Wai Hung
Executive Director

NOTICE OF EGM



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 IS HEREBY GIVEN that an extraordinary general meeting (the “**Meeting**”) of Argos Enterprise (Holdings) Limited (the “**Company**”) will be held at Room 1113, 11th Floor, Block A2, Yau Tong Industrial City, 17 Ko Fai Road, Kowloon, Hong Kong on 8 October 2007 at 11:00 a.m. for the purpose of considering and, if thought fit, passing the following resolution with or without amendments as an ordinary resolution:

ORDINARY RESOLUTION

“**THAT** subject to and conditional upon, among others, the granting by the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) of the listing of and permission to deal in the Conversion Shares (as defined below),

- (a) the subscription agreement (the “**Subscription Agreement**”) entered into between the Company and Sharp Mode Limited (the “**Subscriber**”) dated 7 August 2007 in relation to the subscription of an aggregate principal amount of HK\$7,200,000 convertible bonds (the “**Convertible Bonds**”), a copy of the Subscription Agreement having been produced to the Meeting and marked “A” and initialed by the chairman of the Meeting for the purpose of identification, and the transactions contemplated thereby be and are hereby approved, confirmed and ratified;
- (b) the allotment and issue of the shares (the “**Conversion Shares**”) of HK\$0.01 each in the share capital of the Company upon exercise of the conversion rights attaching to the Convertible Bonds be and is hereby approved and the Directors be and are hereby authorised to allot and issue the Conversion Shares pursuant to and in accordance with the instrument to be executed by the Company by way of a deed poll constituting the Convertible Bonds; and
- (c) the Directors be and are hereby authorised to do all such acts and things as they consider necessary, desirable or expedient in connection with the issue of the Convertible Bonds to the Subscriber and the allotment and issue of the Conversion Shares upon exercise of the conversion rights attaching to the Convertible Bonds.”

By order of the Board
Argos Enterprise (Holdings) Limited
Yeung Wai Hung
Executive Director

Hong Kong, 20 September 2007

NOTICE OF EGM

Registered office and principal place of business in Hong Kong:

Room 1113, 11th Floor
Block A2, Yau Tong Industrial City
17 Ko Fai Road
Kowloon
Hong Kong

Notes:

1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy can vote on a poll. A proxy need not be a member of the Company.
2. In order to be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and deposited together with a power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, at the offices of the Company's share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 46th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.
3. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the above Meeting or any adjournment thereof, should he so wish.