



PEGASUS INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 676)

(the “Company”)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at Imperial Room III, Towers Wing, Mezzanine Floor, The Royal Pacific Hotel & Towers, China Hong Kong City, 33 Canton Road, Tsimshatsui, Kowloon, Hong Kong on Wednesday, 17th May, 2006 at 9:30 a.m. for the following purposes:

1. To receive and consider the audited financial statements and the directors’ report and auditors’ report for the year ended 31st December, 2005.
2. To approve and declare a final dividend for the year ended 31st December, 2005.
3. To re-elect retiring Directors and authorise the Board of Directors to fix their remuneration.
4. To re-appoint the Auditors and authorise the Board of Directors to fix their remuneration.

As special business

5. To consider and, if thought fit, to pass, with or without modifications, the following Resolutions as ordinary resolutions:

(A) **“THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to purchase shares in the capital of the Company, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company which may be purchased by the Company pursuant to the approval in paragraph (a) above shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this Resolution, and the said approval shall be limited accordingly; and

(c) for the purpose of this Resolution,

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next Annual General Meeting of the Company;
- (ii) the expiration of the period within which the next Annual General Meeting of the Company is required by the Bye-laws of the Company or any applicable law to be held; and
- (iii) the revocation or variation of authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

(B) **“THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which would or might require the exercise of such powers, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of the share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (1) a Rights Issue (as hereinafter defined); (2) an issue of shares as scrip dividends pursuant to the Bye-laws of the Company; (3) an issue of shares by the exercise of options granted under the share option scheme of the Company, shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this Resolution, and the said approval shall be limited accordingly; and
- (d) for the purpose of this Resolution,

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next Annual General Meeting of the Company;
- (ii) the expiration of the period within which the next Annual General Meeting of the Company is required by the Bye-laws of the Company or any applicable law to be held; and

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

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company to the holders of shares of the Company on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange, in any territory outside Hong Kong applicable to the Company).”

- (C) **“THAT** conditional upon the Resolutions numbered 5A and 5B set out in the notice convening this meeting being passed, the aggregate nominal amount of shares in the capital of the Company which is purchased by the Company under the authority granted to the Directors of the Company by Resolution numbered 5A (up to a maximum of 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of such Resolution) shall be added to the aggregate nominal amount of shares in the capital of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company pursuant to Resolution numbered 4B set out in the notice convening this meeting.”

- 6. As special business, to consider and, if thought fit, to pass, with or without modification, the following resolution as special resolution:

SPECIAL RESOLUTION

“THAT the Bye-laws be amended as follows:

- (A) By deleting the full-stop at the end of Bye-law 66(d) and replacing herewith a semi-colon and the word “or” immediately thereafter by inserting the following as new Bye-law 66(e):

“(e) by any Director or Directors (including the chairman of a general meeting of the Company) who, individually or collectively, hold proxies in respect of shares representing 5 per cent. or more of the total voting rights at such meeting and if on a show of hands such meeting votes in the opposite manner to that instructed in those proxies. If a poll is required under these circumstances, the chairman of the meeting should disclose to the meeting of the Company the total number of votes represented by all proxies held by Directors indicating an opposite vote to the votes cast at the meeting on a show of hands”.

(B) By inserting a new Bye-law 66A as follows:

“66A The chairman should at the commencement of the meeting ensure that an explanation is provided of:

- (a) the procedures for demanding a poll by Members before putting a resolution to the vote on a show of hands; and
- (b) the detailed procedures for conducting a poll and then answer any questions from Member whenever voting by way of poll is required.”

(C) By deleting Article 67 in its entirety and substituting therefor the following:

“67 Unless a poll is so required or demanded and, in the latter case, not withdrawn:

- (i) the chairman of the meeting should indicate to the meeting of the Company the level of proxies lodged on each resolution and the balance for and against the resolution, after it has been dealt with on a show of hands. All proxy votes must be counted and recorded; and
- (ii) 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.”

(D) By deleting the second sentence in Bye-law 68 in its entirety.

(E) By deleting the word “annual” before the words “general meeting” in the first sentence of Bye-law 86(2).

(F) By replacing the word “special” in Bye-law 86(4) by “ordinary” immediately after the word “by”.

(G) By replacing the words “the chairman of the Board and/or the managing director of the Company shall not, whilst holding such office, be subject to retirement by rotation or be taken into account in determining the number of Directors to retire in each year” in Bye-law 87(1) by the words “every Director shall be subject to retirement by rotation at least once every three years” immediately after the words “notwithstanding anything herein”.

- (H) By replacing the word “greater” in Bye-law 87(1) by the word “lesser” immediately after the words “nearest to but not”.
- (I) By inserting in the first sentence of Bye-law 87(2) immediately after the word “re-election” the words “and shall continue to act as a Director throughout the meeting at which he retires”.

By Order of the Board
Lee Yiu Ming
Company Secretary

Hong Kong, 20th April, 2006

List of all Directors of the Company as of the date of this announcement:–

Executive Directors:

Wu Chen San Thomas (*Chairman*)
Wu Jenn Chang Michael (*Deputy Chairman*)
Wu Jenn Tzong Jackson
Yang Chih Chieh Arthur
Ho Chin Fa Steven

Independent Non-executive Directors:

Fang Yen Ling
Lai Jenn Yang Jeffrey
Liu Chung Kang Helios

Notes:

- (1) Any member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote in his stead. A proxy need not be a member of the Company.
- (2) In order to be valid, a form of proxy together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof must be deposited at the head office and principal place of business of the Company at Room 1517, Tower 3, China Hong Kong City, 33 Canton Road, Tsimshatsui, Kowloon, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
- (3) An explanatory statement containing further details regarding the Resolutions set out in items 5 and 6 will be sent to the shareholders of the Company together with the annual report of the Company for the year ended 31st December, 2005.

Please also refer to the published version of this announcement in SCMP-Classified.