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If you have sold or transferred all your shares (the “Shares”) of HK\$0.01 each in the capital of Vision Grande Group Holdings Limited, you should at once hand this document and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for transmission to the purchaser or the transferee.

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VISION GRANDE GROUP HOLDINGS LIMITED
偉誠集團控股有限公司*

(incorporated in the Cayman Islands with limited liability)
(Stock Code: 2300)

Executive Directors:

Mr Li Wei Bo (*Chairman*)
Mr Lee Cheuk Yin, Dannis
Mr Cheung Chun Ming
Ms Zhu Wei Li

Independent non-executive Directors:

Mr Ng Kwai Sang
Mr Sik Siu Kwan
Mr Ng Pui Cheung, Joseph

Registered office:

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of business in Hong Kong:*

Office 1, 15th Floor
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30 April 2004

To the shareholders

Dear Sir or Madam

**GENERAL MANDATE FOR ISSUE OF NEW SHARES
AND
REPURCHASE BY THE COMPANY OF ITS OWN SHARES**

* For identification purpose only

INTRODUCTION

At the annual general meeting (“**AGM**”) of Vision Grande Group Holdings Limited (the “**Company**”) to be held at Tianshan and Lushan Room (Level 5), Island Shangri-la Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong on Tuesday, 8 June 2004 at 10:00 a.m., resolutions will be proposed:

- (a) to grant a general mandate (the “**General Mandate**”) to the Directors to exercise the powers of the Company to allot, issue and otherwise deal with additional Shares up to a maximum of 20 per cent. of the aggregate nominal share capital of the Company in issue at the date of passing of such resolution;
- (b) to grant a repurchase mandate (the “**Repurchase Mandate**”) to the directors (the “**Directors**”) of the Company to enable them to repurchase the Shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) up to a maximum of 10 per cent. of the aggregate nominal amount of the issued share capital of the Company at the date of passing such resolution; and
- (c) to increase the number of Shares to be allotted and issued under the General Mandate by an additional number representing such number of Shares repurchased under the Repurchase Mandate.

The General Mandate and the Repurchase Mandate shall be effective until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company; or
- (b) 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 other applicable law of the Cayman Islands to be held; or
- (c) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors.

Under the Rules (the “**Listing Rules**”) Governing the Listing of Securities on the Stock Exchange, the Company is required to give to its shareholders all information which is reasonably necessary to enable shareholders to make an informed decision as to whether to vote for or against the resolution to renew the grant to the Directors of the Repurchase Mandate. The explanatory statement required by the Listing Rules to be included in this document is set out in the Appendix.

THE GENERAL MANDATE

The Company has in issue an aggregate of 400,000,000 Shares as at 27 April 2004, being the latest practicable date (the “**Latest Practicable Date**”) prior to the printing of this document. Subject to the passing of the proposed resolution for the approval of the General Mandate and in accordance with the terms therein, the Company would be allowed to allot and issue up to a maximum of 80,000,000 Shares, representing 20 per cent. of the aggregate nominal amount of the issued Shares at the time of the passing of the resolution approving the General Mandate on the basis that no further Shares will be issued or repurchased by the Company prior to the AGM.

The Directors have no immediate plans to issue any new Shares other than Shares which may fall to be issued under the share option scheme providing for the allotment and issue of Shares in lieu of whole or part of a dividend in accordance with the articles of association of the Company or any scrip dividend scheme which may be approved by the shareholders of the Company.

THE REPURCHASE MANDATE

On pages 81 to 85 of the annual report of the Company in respect of the financial year ended 31 December 2003 is the notice of the AGM. At the AGM, and as part of the special business of the AGM, an ordinary resolution will be proposed to grant the Repurchase Mandate to the Directors.

ACTION TO BE TAKEN

Whether or not you intend to attend the AGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon not less than 48 hours before the time appointed for holding the AGM. The completion and return of a form of proxy will not preclude you from attending and voting at the AGM and adjournment thereof in person if you so wish.

RECOMMENDATION

The Directors believe that the granting of the General Mandate and the Repurchase Mandate are in the best interests of the Company and its shareholders as a whole. The Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets value of the Company and its net assets and/or earnings per Share and will only be made when the Directors believe that a repurchase of Shares will benefit the Company and its shareholders as a whole.

An exercise of the Repurchase Mandate in full could have a material adverse impact on the working capital and gearing position of the Company compared with that as at 31 December 2003, being the date of its latest published audited consolidated accounts. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.

The Directors believe that an exercise of the General Mandate to allot and issue new Shares will enable the Company to take advantage of market conditions to raise additional capital for the Company.

Accordingly, the Directors recommend that all shareholders should vote in favour of the General Mandate and the Repurchase Mandate.

Yours faithfully
For and on behalf of
the board of Directors of
Vision Grande Group Holdings Limited
Li Wei Bo
Chairman

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to you for your consideration of the Repurchase Mandate.

1. Repurchase of securities from connected parties

The Listing Rules prohibit a company from knowingly purchasing securities on the Stock Exchange from a “connected person”, that is, a director, chief executive or substantial shareholder of the Company or any of its subsidiaries or their respective associates (as defined in the Listing Rules) and a connected person is prohibited from knowingly selling his/her/its securities to the Company.

No connected person of the Company has notified the Company that he/she/it has a present intention to sell any Shares to the Company nor has any such connected person undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Repurchase Mandate is passed.

2. Share capital

As at the Latest Practicable Date, the issued share capital of the Company comprised 400,000,000 fully paid Shares.

Subject to the passing of the proposed resolution for the approval of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased by the Company prior to the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 40,000,000 fully paid Shares.

3. Reasons for the repurchase

The Directors believe that the Repurchase Mandate is in the best interests of the Company and its shareholders as a whole. An exercise of the Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets per Share and/or earnings per Share and will only be made when the Directors believe that a repurchase will benefit the Company and its shareholders as a whole.

4. Funding of repurchases

Pursuant to the Repurchase Mandate, repurchase would be funded entirely from the Company’s available cash flow or working capital facilities which will be funds legally available under the Cayman Islands law and the memorandum and articles of association of the Company for such purpose.

An exercise of the Repurchase Mandate in full could have a material adverse impact on the working capital and gearing position of the Company compared with that as at 31 December 2003, being the date of its latest published audited consolidated accounts. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.

5. Share prices

The highest and lowest closing prices at which the Shares have traded on the Stock Exchange in each of the previous two calendar months since 26 March 2004 (being the date of listing) were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
March 2004 (since 26 March 2004)	2.500	2.075
April 2004 (up to the Latest Practicable Date)	2.350	1.970

6. Disclosure of interests and minimum public holding

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, their associates, have any present intention to sell to the Company or its subsidiaries any of the Shares in the Company if the Repurchase Mandate is approved at the AGM and exercised.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules and applicable laws of the Cayman Islands.

If a shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of Rule 32 of the Hong Kong Code of Takeovers and Mergers (the "**Takeovers Code**"). As a result, 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 Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, Mr Li Wei Bo ("**Mr Li**") held about 73.62 per cent. of the then existing issued Shares. Assuming that there will be no change to the issued share capital of the Company prior to the date of the AGM, 400,000,000 Shares will be in issue as at the date of the AGM. On this basis, if the Repurchase Mandate were exercised in full and assuming that Mr Li will not dispose of any of the Shares prior to the AGM, the percentage shareholding of Mr Li in the Company would increase to approximately 81.80 per cent. of the then issued share capital of the Company.

On the basis of the current shareholding of Mr Li, an exercise of the Repurchase Mandate in full will not result in it becoming obliged to make a mandatory offer under Rule 26 of the Takeovers Code.

At as the Latest Practicable Date, the Directors have no intention to exercise any of the Repurchase Mandate.

The Directors have no intention to exercise the Repurchase Mandate to such an extent that will result in a requirement of Mr Li to make a general offer under the Takeovers Code or the number of Shares in the hands of public falls below the prescribed minimum percentage of 25 per cent..

7. Shares repurchase made by the Company

The Company had not purchased any of its Shares (whether on the Stock Exchange or otherwise) since 26 March 2004 (being the date of listing) and up to the date of this document.