

# **THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**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 Media Partners International Holdings Inc. (the “Company”), you should at once hand this circular to the purchaser or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) 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.

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## **Media Partners International Holdings Inc.**

**媒體伯樂集團有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

### **NOTICE OF ANNUAL GENERAL MEETING PROPOSED RENEWAL OF SHARE OPTION SCHEME MANDATE LIMIT PROPOSED GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES AND PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION**

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The notice convening the annual general meeting of Media Partners International Holdings Inc. (the “Company”) to be held at 22nd Floor, Hang Lung Centre, 2-20 Paterson Street, Causeway Bay, Hong Kong on Friday, 30th April, 2004 at 11:00 a.m. is contained in 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 annual general meeting 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, Tengis Limited, at Ground Floor, BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. The completion and delivery of a form of proxy will not preclude you from attending and voting at the AGM in person.

*This circular will remain on the “Latest Company Announcements” page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for 7 days from the date of its posting.*

31st March, 2004

\* *for identification purpose only*

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## CHARACTERISTICS OF GEM

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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 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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## RESPONSIBILITY STATEMENT

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This circular, for which the Directors of the Company 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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# CONTENTS

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	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the Board of Directors</b> .....	3
<b>Appendix – Explanatory Statement</b> .....	8
<b>Notice of Annual General Meeting</b> .....	11

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## DEFINITIONS

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

“2003 Annual Report”	means the annual report of the Company for the year ended 31st December, 2003
“AGM”	means annual general meeting of the Company to be convened and held at 22nd Floor, Hang Lung Centre, 2-20 Paterson Street, Causeway Bay, Hong Kong, held on 30th April, 2004 at 11:00 a.m.
“Associates”	means the same definition as described under the GEM Listing Rules
“Company”	means Media Partners International Holdings Inc., a company incorporated in Cayman Islands with limited liability
“Director(s)”	means the board of 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
“Latest Practicable Date”	means 26th March, 2004, being the latest practicable date prior to the printing of this circular
“MSCV”	means Morningside CyberVentures Holdings Limited, a company duly incorporated in the British Virgin Islands with limited liability
“Notice”	means the notice convening the AGM
“Options”	means a right granted to subscribe for Shares pursuant under the Share Option Scheme of the Company
“Participants”	means any employee and certain consultants, suppliers or customers of the Group who, in the sole discretion of the Board having regard to the relevant criteria set out in the Share Option Scheme, have contributed to the Group
“Repurchase Mandate”	means a general mandate proposed to be granted to the Directors to exercise the power of the Company to repurchase Shares of the Company on the terms set out in the Notice of AGM

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## DEFINITIONS

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“Scheme Mandate Limit”	means the number of shares which may be issued upon exercise of all options of the Company which must not in aggregate exceed 10% of the Shares in issue as at the date of approval of the share option scheme or of the renewal of such limit
“Share(s)”	means share(s) of par value of HKD0.10 each in the capital of the Company
“Share Option Scheme”	means the Share Option Scheme adopted by the Company on 7th January, 2002
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited
“Takeover Code”	means the Hong Kong Code on Takeovers and Mergers
“%”	means per cent



**Media Partners International Holdings Inc.**

**媒體伯樂集團有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

*Executive Directors:*

George Ka Ki CHANG (*Vice Chairman*)  
Winnie Pik Shan TO (*Chief Executive Officer*)  
Tony Cheung Kin AU-YEUNG

*Non-Executive Director:*

Gerald Lokchung CHAN (*Chairman*)

*Independent Non-Executive Directors:*

Lawrence Juen-Yee LAU  
Meocre Kwok Wing LI  
Paul Laurence SAFFO

*Registered Office:*

Century Yard  
Cricket Square  
Hutchins Drive  
P.O. Box 2681 GT  
George Town  
Grand Cayman  
Cayman Islands  
British West Indies

*Principal Place of Business:*

Rooms 1506-10, 15th Floor  
Hang Lung Centre  
2-20 Paterson Street  
Causeway Bay  
Hong Kong

31st March, 2004

*To Shareholders of the Company*

Dear Sir or Madam,

**NOTICE OF ANNUAL GENERAL MEETING  
PROPOSED RENEWAL OF SHARE OPTION SCHEME MANDATE LIMIT  
PROPOSED GENERAL MANDATES TO ISSUE AND  
REPURCHASE SHARES  
AND  
PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION**

**INTRODUCTION**

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the AGM to be held at 22nd Floor, Hang Lung Centre, 2-20 Paterson Street, Causeway Bay, Hong Kong on 30th April, 2004 at 11:00 a.m. which, upon approval, would enable the Company to:–

- (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;

\* *for identification purpose only*

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## LETTER FROM THE BOARD OF DIRECTORS

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- (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 the number of shares repurchased by the Company pursuant to the Repurchase Mandate set out in (b) above;
- (d) renew the Scheme Mandate Limit so that the Company may grant Options up to 10% of the issued share capital of the Company as at the date of passing such resolution; and
- (e) amend its articles of association in light of recent changes to the GEM Listing Rules.

### **PROPOSED GENERAL MANDATE TO ISSUE NEW SHARES**

At the AGM, it will also be proposed, by way of ordinary resolution, that the Directors of the Company be given a general and unconditional mandate to exercise all powers of the Company to issue new shares in the Company up to 20% of the aggregate nominal value of the issued share capital of the Company on the date of the passing of the ordinary resolution (“New Issue Mandate”). In addition, it is further proposed, by way of a separate ordinary resolution, that the New Issue Mandate be extended so that the Directors of the Company be given a general mandate to issue further shares in the Company of an aggregate nominal value equal to the aggregate nominal value of the share capital of the Company repurchased under the Repurchase Mandate. Any issue of new shares in the Company is subject to approval from the Stock Exchange for the listing of and permission to deal such new shares.

### **PROPOSED GENERAL MANDATE TO REPURCHASE SHARES**

At the AGM, it will be proposed, by way of an ordinary resolution, that the Directors of the Company be given a general and unconditional mandate to exercise all powers of the Company to repurchase shares on the GEM of the Stock Exchange in the Company up to a maximum of 10% of the shares of the Company in issue at the date of passing the ordinary resolution.

The Repurchase Mandate, if approved, will continue in force until the conclusion of the next AGM of the Company or until revoked or varied by ordinary resolution of shareholders in general meeting prior to the next AGM.

The Company may only repurchase its shares on GEM if:–

- (i) the shares proposed to be repurchased by the Company are fully paid up;
- (ii) the Company has previously sent to its shareholders the explanatory statement set out on pages 8 to 10 of this circular; and
- (iii) the shareholders of the Company have in general meeting approved the Repurchase Mandate and the relevant documents in connection therewith have been delivered to the Stock Exchange.



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## LETTER FROM THE BOARD OF DIRECTORS

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An explanatory statement containing information relating to the Repurchase Mandate and as required pursuant to the GEM Listing Rules of the Stock Exchange, in particular Rule 13.08, is set out on pages 8 to 10 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.

### **RENEWAL OF THE EXISTING SCHEME MANDATE LIMIT**

The Company adopted the Share Option Scheme approved by way of written resolution of the Company on 7th January, 2002. Under the rules of the Share Option Scheme:–

1. the number of shares subject to Options that may be granted must not exceed 10% of the Shares in issue at the date of approval of the renewal of the Scheme Mandate Limit (the existing Scheme Mandate Limit was renewed on 30th April, 2003);
2. the Company may renew the Scheme Mandate Limit at any time subject to prior shareholders' approval. However, the Scheme Mandate Limit as renewed must not exceed 10% of the Shares in issue as at the date of the aforesaid shareholders' approval. Options previously granted under the Share Option Scheme and other share option schemes (including those outstanding, cancelled, lapsed in accordance with the schemes or exercised options) will not be counted for the purpose of calculating the Scheme Mandate Limit as renewed. A circular must be sent to shareholders in connection with the meeting at which their approval will be sought;
3. the Company may seek separate approval of the Shareholders in general meeting to grant Options beyond the Scheme Mandate Limit to participants specifically identified by the Company before the aforesaid shareholders's meeting where such approval is sought; and
4. the overall limit on the number of Shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme must not in aggregate exceed 30% of the Shares in issue from time to time.

Up to the Latest Practicable Date, the Company had granted to certain participants Options to subscribe for an aggregate of 18,448,000 Shares, out of which Options to subscribe for an aggregate of 2,510,000 Shares had been lapsed after the date of grant. As at the Latest Practicable Date, there were 15,938,000 outstanding Options granted and yet to be exercised. As such, 69,442,000 Options may be granted under the Share Option Scheme before the renewal of the Scheme Mandate Limit.

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## LETTER FROM THE BOARD OF DIRECTORS

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The Directors consider that the Company should renew the Scheme Mandate Limit so that the Company could have more flexibility to provide incentive to Participants by way of granting Options to them. If the renewal of the existing Scheme Mandate Limit is approved at the AGM based on the 853,800,000 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued and no Shares are repurchased after the Latest Practicable Date and up to the date of the AGM, the Directors will, apart from the 15,938,000 Options which have already been granted and are still outstanding, be able to grant Options up to a total of 85,380,000 Shares, representing 10% of the issued share capital of the Company as at the date of the AGM.

The Directors consider that the renewal of the Scheme Mandate Limit is in the interests of the Group and the Shareholders as a whole because it enables the Company to reward and motivate its employees and other select Participants under the Share Option Scheme. The renewal of the Scheme Mandate Limit is in line with purpose of the Share Option Scheme.

An ordinary resolution, as special business, will be proposed at the forthcoming AGM to approve the renewal of the existing Scheme Mandate Limit in the terms as set out in Resolution No. 7 of the Notice of AGM. In order that the Company could continue to grant Options to selected Participants as incentives or rewards for their contribution to the Company, the Directors recommend that Shareholders vote in favour of this resolution.

### **PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

At the AGM, it will also be proposed, by way of special resolution, that the articles of association of the Company be amended in light of recent changes to the GEM Listing Rules to contain provisions:

- (i) amending the definition of “clearing house” to delete references to “a recognized clearing house within the meaning of Section 2 of the Securities and Futures (Clearing Houses) Ordinance of Hong Kong”;
- (ii) requiring that the minimum seven-day period for lodgment by shareholders of the notice to nominate a director to commence no earlier than the day after the despatch of the notice of the meeting appointed for such election and end no later than seven days before the date of such meeting;
- (iii) prohibiting directors from voting at and being counted towards the quorum of the board meeting on any matter in which any of his associates has a material interest;
- (iv) excluding the votes cast by a shareholder in contravention of a requirement or restriction under the GEM Listing Rules;
- (v) enabling the removal by a Director at any time before the expiration of his period of office by ordinary resolution at general meeting; and

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## LETTER FROM THE BOARD OF DIRECTORS

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- (vi) enabling the Company to send to persons entitled to the Directors' report (accompanied by the balance sheet and profit and loss account), a summary of financial statement instead, derived from the Company's annual accounts and directors' report and prepared in compliance with the listing rules, statutes, rules and regulations (where applicable).

Amendments have also been proposed to allow notice of meetings for shareholders and directors to be given by, inter alia, electronic means. In addition, the Directors proposed to amend the Articles of Association to enable the removal of a director by ordinary resolution (rather than a special resolution) to provide the Company with greater flexibility. This proposed amendment to the removal of director is allowed under the relevant Cayman Laws applicable to the Company. It should be noted, however, that any removal of a director would be without prejudice to any claim which the director may have for damages for breach of any service contract which he has with the Company.

In addition, the Directors propose that the abovementioned proposed amendments to Articles of Association of the Company, consolidating all the changes to be passed by the shareholders of the Company at the AGM, be adopted in replacement of the existing Articles of Association with effect from the passing of Resolution No. 9 of the Notice of AGM.

### THE AGM

The following are the details of the AGM:–

Date : 30th April, 2004

Time : 11:00 a.m.

Venue : 22nd Floor, Hang Lung Centre, 2-20 Paterson Street, Causeway Bay, Hong Kong

A form of proxy for the AGM is enclosed with this circular. Whether or not you intend to be present at the AGM, you are requested to complete the form of proxy and return it to the branch share registrar of the Company, Tengis Limited, at Ground Floor, BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time fixed for the meeting. The completion of a form of proxy will not preclude you from attending and voting at the meeting in person.

### 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 to be proposed at the AGM.

Yours faithfully,  
By Order of the Board  
**Winnie Pik Shan TO**  
*Director and Chief Executive Officer*

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

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

### **1. EXERCISE OF THE REPURCHASE MANDATE**

If the Repurchase Mandate was exercised in full, on the basis of 853,800,000 shares in issue as at the Latest Practicable Date, could result in up to 85,380,000 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**

Any repurchases will only be funded out of funds of the Company legally available for the purposes in accordance with its memorandum and articles of association of the Company and the laws of the Cayman Islands.

### **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 Annual Report 2003) 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 Cayman Islands.

#### **7. TAKEOVERS CODE CONSEQUENCES**

If as a result of a repurchase of shares, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. As a result, a shareholder, or a group of shareholders acting in concert, depending on the level of increase in the shareholder's interests, may obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. The Directors are not aware of any consequences which could arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate.

As at the Latest Practicable Date, MSCV, which is a controlling shareholder of the Company, held approximately 73.38% of the shares issued by the Company. As at the Latest Practicable Date, the Directors are not aware of any consequences for MSCV under the Takeovers Code as a result, solely for the Directors exercising the Repurchase Mandate in full.

#### **8. SHARE PURCHASE MADE BY THE COMPANY**

No repurchases of securities have been made by the Company in the previous six months, whether on the Stock Exchange or otherwise.

#### **9. CONNECTED PERSON**

No connected person (as defined in the GEM Listing Rules) has notified the Company that it has a present intention to sell shares to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by the shareholders.

**10. SHARE PRICES**

The highest and lowest prices at which the shares were traded on the GEM during each of the previous twelve months before the Latest Practicable Date were as follows:

	Shares	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
<b>2003</b>		
March	0.216	0.165
April	0.182	0.150
May	0.233	0.157
June	0.191	0.152
July	0.218	0.164
August	0.370	0.160
September	0.385	0.300
October	0.620	0.370
November	0.610	0.470
December	0.560	0.500
<b>2004</b>		
January	0.600	0.490
February	0.570	0.490



## Media Partners International Holdings Inc.

媒體伯樂集團有限公司\*

*(Incorporated in the Cayman Islands with limited liability)*

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** an annual general meeting (“AGM”) of the member of Media Partners International Holdings Inc. (the “Company”) will be held at 22nd Floor, Hang Lung Centre, 2-20 Paterson Street, Causeway Bay, Hong Kong on 30th April, 2004 at 11:00 a.m. for the following purposes:

1. To receive and consider the audited financial statements and the reports of the directors and Auditors of the Company for the year ended 31st December, 2003;
2. To re-elect Mr. Paul Laurence Saffo, the retiring director and authorize the board of directors to fix the remuneration of Directors;
3. To re-appoint auditors and authorize the directors to fix their remuneration; and
4. As special business, to consider and, if thought fit, pass with or without alterations, the following resolution as an ordinary resolution:

**“THAT:**

- (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on The Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (“GEM Listing Rules”), the exercise by the directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with (otherwise than by way of Rights Issue (as hereinafter defined) or pursuant to the exercise of options granted under any of the Company’s share option scheme or any scrip dividend scheme or similar arrangements providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company pursuant to the articles of association of the Company from time to time) additional shares in the capital of the Company and to make or grant offers, agreements and options 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 be in addition to any other authorization given to the directors of the Company and shall authorize the directors of the Company 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;

\* for identification purpose only

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## NOTICE OF ANNUAL GENERAL MEETING

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(c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) and issued by the directors pursuant to the approval in paragraph (a) above, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the 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 date of the passing of this resolution until whichever is the earliest of:

(i) the conclusion of the next AGM of the Company;

(ii) the expiration of the period within which the next AGM of the Company is required by any other applicable law or articles of association of the Company to be held; and

(iii) the revocation or variation of the authority given by this resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares in the Company, 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 in the Company on the register on a fixed record date in proportion to their 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 applicable to the Company, or any recognized regulatory body or any stock exchange applicable to the Company).”

5. As special business, to consider and if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

**“THAT:**

(a) subject to paragraph (b) of this resolution, the exercise by the directors during the Relevant Period (as defined in resolution No. 4(d) set out in the notice of this meeting) of all powers of the Company to repurchase ordinary shares in the capital of the Company on the Stock Exchange or on any other stock exchange on which the shares of the Company may be listed and recognized by the Securities and Futures Commission and the Stock Exchange for such purpose, subject to and in accordance with all applicable laws and requirements of the GEM Listing Rules or any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;



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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) the aggregate nominal amount of shares of the Company which is authorized to repurchase pursuant in paragraph (a) of this resolution and shall not exceed 10% 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.”
6. As special business, to consider and if thought fit, pass with or without any amendments, the following resolution as an ordinary resolution:
- “**THAT** conditional upon resolutions nos. 4 and 5 as set out in the notice convening this meeting duly passed, the general mandate granted to the directors of the Company to exercise the powers of the Company to allot and issue shares pursuant to resolution No. 4 set out in the notice convening this meeting be and is hereby extended by the addition to the aggregate nominal amount of the share capital which may be allotted or agreed conditionally or unconditionally to be allotted any issued shares by the directors of the Company pursuant to such general mandate of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to resolution No. 5 set out in the notice convening this meeting, provided that such an amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution.”
7. As special business, to consider and if thought fit, pass with or without any amendments, the following resolution as an ordinary resolution:
- “**THAT** the existing Scheme Mandate Limit in respect of the granting of share options under the share option scheme adopted by the Company on 7th January, 2002 (the “**Share Option Scheme**”) be renewed provided that the total number of shares of HK\$0.10 each in the capital of the Company (each a “**Share**”) which may be issued upon the exercise of all options to be granted under the Share Option Scheme and any other share option scheme of the Company must not exceed 10% of the Share in issue at the date of AGM of such renewal of the Scheme Mandate Limit.”
8. As special business, to consider and if thought fit, pass with or without any amendments, the following resolution as an ordinary resolution:
- “To approve, ratify and confirm the ongoing connected transactions as contemplated under the advertising agency agreement entered between 成都媒體伯樂公交廣告有限公司 (“Chengdu MPI Public Transport Advertising Co. Ltd.”), a subsidiary of the Group and 成都運興公交有限公司 (“Bus JV”) dated 31st May, 2002 relating to the provision of advertising agency and management services to the Bus JV and the caps (referred to the Company’s circular dated 26th June, 2002) and authorise any one director of the Company to do all acts and things which directors of the Company consider necessary and expedient for the implementation of and giving effect to the advertising agency agreement provided that the aggregate consideration payable thereunder in the financial year ending 31st December, 2004 will not exceed HK\$29,000,000.”

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## NOTICE OF ANNUAL GENERAL MEETING

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9. As special business, to consider and if thought fit, pass with or without any amendments, the following resolution as special resolution:

“(a) **THAT** the existing articles of association of the Company be and are hereby amended in the manner as follows:

### **Article 2**

- (i) By inserting the following new definitions in Article 2(1):

“associate” the meaning attributed to it in the rules of the Designated Stock Exchange.

“Company’s website” the website of the Company to which any Member may have access, the address or domain name of which has been notified to the Members at the time the Company seeks the relevant Member’s consent for the purposes of Article 159.”

- (ii) By deleting the following words from the definition of “clearing house”:

“a recognized clearing house within the meaning of Section 2 of the Securities and Futures (Clearing Houses) Ordinance of Hong Kong or”

- (iii) By inserting in Article 2(2)(e) after the words “expressions referring to writing” the words “or printing”; and after the words “photography and other modes of representing words in a visible form” the words “, and including where the representation takes the form of electronic display, provided that the same is available for download onto a user’s computer or for printing through conventional small office equipment or is placed on the Company’s website and, in each case, the Member concerned (where the relevant provision at these Articles requires the delivery at service of any document or notice on him in his capacity as shareholder) has elected for the receipt of the relevant download or notice through electronic means and both the mode of service of the relevant document or notice and the Member’s election comply with all applicable Statutes, rules and regulations”;

- (iv) By replacing the full stop “.” appearing at the end of Article 2(2)(g) with a semi-colon “;”;

- (v) By inserting the following new Article 2(2)(h) immediately after the existing Article 2(2)(g):–

“(h) references to a document being executed include references to it being executed under hand or under seal or by electronic signature or by any other method and references to a notice or document include a notice or document recorded or stored in any digital, electronic, electrical, magnetic or other retrievable form or medium and information in visible form whether having physical substance or not.”

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## NOTICE OF ANNUAL GENERAL MEETING

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### **Article 44**

By inserting after the words “any other newspapers in accordance with the requirements of any Designated Stock Exchange” the words “or by any means in such manner as may be accepted by the Designated Stock Exchange”.

### **Article 51**

By inserting after the words “in accordance with the requirements of any Designated Stock Exchange” the words “or by any means in such manner as may be accepted by the Designated Stock Exchange”.

### **Article 76**

(i) By re-numbering existing Article 76 as Article 76(1);

(ii) By inserting the following as new Article 76(2):

“(2) Where any Member is, under the rules of the Designated Stock Exchange, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such Member in contravention of such requirement or restriction shall not be counted.”

### **Article 86 (5)**

By deleting the word “special” in the second line in Article 86(5) and replacing the word “ordinary”.

### **Article 88**

By deleting the words “not less than seven (7) clear days but not more than fourteen (14) clear days before the date of the general meeting” in the last sentence of Article 88 and replacing therewith the following proviso:

“provided that the minimum length of the period, during which such Notice(s) are given, shall be at least seven (7) days and that the period for lodgment of such Notice(s) shall commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.”

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## NOTICE OF ANNUAL GENERAL MEETING

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### Article 103

By deleting the existing Article 103 in its entirety and replacing therewith the following new Article 103:

103. (1) A Director shall not vote (nor be counted in the quorum) on any resolution of the Board in respect of approving any contract or arrangement or any other proposal in which he or any of his associates is materially interested, but this prohibition shall not apply to any of the following matters namely:
- (i) any contract or arrangement for the giving to such Director or his associate(s) any security or indemnity in respect of money lent by him or any of his associates or obligations incurred or undertaken by him or any of his associates at the request of or for the benefit of the Company or any of its subsidiaries;
  - (ii) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has himself/ themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;
  - (iii) any contract or arrangement concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
  - (iv) any contract or arrangement in which he is the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company or any of its subsidiaries by virtue only of his/their interest in shares or debentures or other securities of the Company;
  - (v) any contract or arrangement concerning any other company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or a shareholder other than a company in which the Director together with any of his associates (as defined by the rules, where applicable, of the Designated Stock Exchange) and/or his associate(s) is/are beneficially interested in five (5) per cent or more of the issued shares or of the voting rights of any class of shares of such company (or any third company through which his interest or that of any of his associates is derived); or

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## NOTICE OF ANNUAL GENERAL MEETING

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- (vi) any proposal concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death or disability benefits scheme or other arrangement which relates both to directors, his associates and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director, or his associate(s), as such any privilege or advantage not accorded to the employees to which such scheme or fund relates.
- (2) A company shall be deemed to be a company in which a Director and/or his associate(s) owns five (5) per cent or more if and so long as (but only if and so long as) he and/or his associates, (either directly or indirectly) are the holders of or beneficially interested in five (5) per cent or more of any class of the equity share capital of such company or of the voting rights available to members of such company (or of any third company through which his/their interest or that of any of his associates is derived). For the purpose of this paragraph there shall be disregarded any shares held by a Director or his associate(s) as bare or custodian trustee and in which he or any of them has no beneficial interest, any shares comprised in a trust in which the interest of the Director or his associate(s) is/are in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust scheme in which the Director or his associate(s) is/are interested only as a unit holder and any shares which carry no voting right at general meetings and very restrictive dividend and return of capital right.
- (3) Where a company in which a Director together and/or his associate(s) (as defined by the rules, where applicable, of the Designated Stock Exchange) holds five (5) per cent or more is/are materially interested in a transaction, then that Director and/or his associate(s) shall also be deemed materially interested in such transaction.
- (4) If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the chairman of the meeting) or his associate(s) or as to the entitlement of any Director (other than such chairman) to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director and/or his associate(s) concerned as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the chairman of the meeting such question shall be decided by a resolution of the Board (for which purpose such chairman shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman as known to such chairman has not been fairly disclosed to the Board.

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## NOTICE OF ANNUAL GENERAL MEETING

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### **Article 115**

By inserting after the words “The Secretary shall convene a meeting of the Board of which notice may be given in writing or by telephone” the words “or by any electronic means”.

### **Article 152**

By inserting the words “Subject to Article 152A,” before the words “A printed copy of the Directors’ Report” and replacing the word “A” with “a”.

By adding the following new Articles 152A and 152B immediately after Article 152:

“152A. Subject to due compliance with all applicable Statutes, rules and regulations, including, without limitation, the rules of Designated Stock Exchange, and to obtaining all necessary consents, if any, required thereunder, the requirements of Article 152 shall be deemed satisfied in relation to any person by sending to the person in any manner not prohibited by the Statutes, a summary financial statement derived from the Company’s annual accounts and the directors’ report which shall be in the form and containing the information required by applicable laws and regulations, provided that any person who is otherwise entitled to the annual financial statements of the Company and the directors’ report thereon may, if he so requires by notice in writing served on the Company, demand that the Company sends to him, in addition to a summary financial statement, a complete printed copy of the Company’s annual financial statement and the directors’ report thereon.

152B. The requirement to send to a person referred to in Article 152 the documents referred to in that Article or a summary financial report in accordance with Article 152A shall be deemed satisfied where, in accordance with all applicable Statutes, rules and regulations, including, without limitation, the rules of the Designated Stock Exchange, the Company publishes copies of the documents referred to in Article 152 and, if applicable, a summary financial report complying with Article 152A, on the Company’s computer network or in any other permitted manner (including by sending any form of electronic communication), and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company’s obligation to send to him a copy of such documents.”

### **Article 159**

By inserting the following new Article 159 in place of the existing Article 159:–

“159. Any Notice or document (including any “corporate communication” within the meaning ascribed thereto under the rules of the Designated Stock Exchange), whether or not, to be given or issued under these Articles from the Company to a Member shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or communication and any such Notice and document may be served or

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## NOTICE OF ANNUAL GENERAL MEETING

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delivered by the Company on or to any Member either personally or by sending it through the post in a prepaid envelope addressed to such Member at his registered address as appearing in the Register or at any other address supplied by him to the Company for the purpose or, as the case may be, by transmitting it to any such address or transmitting it to any telex or facsimile transmission number or electronic number or address or website supplied by him to the Company for the giving of Notice to him or which the person transmitting the notice reasonably and bona fide believes at the relevant time will result in the Notice being duly received by the Member or may also be served by advertisement in appointed newspapers (as defined in the Law) or in newspapers published daily and circulating generally in the territory of and in accordance with the requirements of the Designated Stock Exchange or, to the extent permitted by the applicable laws, by placing it on the Company's website and giving to the member a notice stating that the notice or other document is available there (a "notice of availability"). The notice of availability may be given to the Member by any of the means set out above. In the case of joint holders of a share all notices shall be given to that one of the joint holders whose name stands first in the Register and notice so given shall be deemed a sufficient service on or delivery to all the joint holders.";

### **Article 160**

- (i) By deleting the existing Article 160(b) and inserting the following new Article 160(b) in its place:-
  - “(b) if sent by electronic communication, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent. A notice placed on the Company's website is deemed given by the Company to a Member on the day following that on which a notice of availability is deemed served on the Member; and”
- (ii) By inserting the following new Article 160(c) immediately after the new Article 160(b):
  - “(c) if served or delivered in any other manner contemplated by these Articles, shall be deemed to have been served or delivered at the time of personal service or delivery or, as the case may be, at the time of the relevant despatch, transmission or publication; and in proving such service or delivery a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board as to the fact and time of such service, delivery, despatch, transmission or publication shall be conclusive evidence thereof; and”;

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## NOTICE OF ANNUAL GENERAL MEETING

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(iii) By inserting the following new Article 160(d) immediately after the new Article 160(c):-

“(d) may be given to a Member either in the English language or the Chinese language, subject to due compliance with all applicable Statutes, rules and regulations.”.

(b) **THAT** the new articles of association of the Company, consolidating all of the changes referred to above and in the form produced to the meeting, be and are hereby adopted with immediate effect in replacement of the existing articles of association of the Company.”

By Order of the Board  
**Stephen Cheuk Kin LAW**  
*Company Secretary*

Hong Kong, 31st March, 2004

***Principal place of business:***

Rooms 1506-1510, 15th Floor  
Hang Lung Centre  
2-20 Paterson Street  
Causeway Bay  
Hong Kong

***Registered Office:***

Century Yard  
Cricket Square  
Hutchins Drive  
P.O. Box 2681 GT  
George Town  
Grand Cayman  
Cayman Islands  
British West Indies

*Notes:*

1. A proxy form to be used for the meeting is enclosed.
2. Any member entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member. In addition, a proxy or proxies representing either a member who is an individual or a member which is a corporation shall be entitled to exercise the same powers on behalf of the member which he or they represent as such member could exercise.



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## NOTICE OF ANNUAL GENERAL MEETING

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3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing, or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorized to sign the same. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof it shall be assumed, unless the contrary appears, that such officer was duly authorized to sign such instrument of proxy on behalf of the corporation without further evidence of the facts.
4. The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to the Company's branch registrar in Hong Kong, Tengis Limited, Ground Floor, BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjourned thereof.
5. Where there are joint holders of any share any one of such joint holder may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at any meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register in respect of the joint holding.