
IMPORTANT

If you are in any doubt about this circular or as to the action to be taken, you should consult your stockbroker, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Infoserve Technology Corp. (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.

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.

 **INFOSERVE[®]**
INFOSERVE TECHNOLOGY CORP.
英普達資訊科技公司*
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 8077)

**GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES,
AMENDMENT TO THE ARTICLES OF ASSOCIATION,
RE-APPOINTMENT OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an annual general meeting of the Company to be held at the Meeting Room at Island Pacific Hotel, 152 Connaught Road West, Hong Kong on 30th June, 2004 at 10:00 a.m. is set out on pages 18 to 24 of this circular. If you are not able to attend the meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon, as soon as possible and in any event not less than 48 hours before the time of the meeting to the Company’s principal place of business in Hong Kong at 11/F, Ying Kong Mansion, 2-6 Yee Wo Street, Causeway Bay, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting should you so wish.

* For identification purpose only

7th June, 2004

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CHARACTERISTIC 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. GEM 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.

DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at the Meeting Room at Island Pacific Hotel, 152 Connaught Road West, Hong Kong on 30th June, 2004 at 10:00 a.m., notice of which is set out on page 18 of this circular;
“Board”	the board of Directors;
“Business day”	a day on which the Stock Exchange is open for the trading of securities;
“Code”	The Hong Kong Code on Takeovers and Mergers;
“Company”	Infoserve Technology Corp., a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange;
“Directors”	the directors of the Company including independent non-executive directors;
“EGM”	the extraordinary general meeting to be held by the Company on 7th June, 2004;
“GEM”	The Growth Enterprise Market of the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Latest Practicable Date”	6th June, 2004 being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“Loan Capitalisation”	has the meaning ascribed to it in the circular issued by the Company on 21st May, 2004;
“Mr. Chang”	Mr. Chang Hsiao Hui, Michael, an executive director of the Company;

DEFINITIONS

“Repurchase Mandate”	the general mandate to be granted to the Directors to exercise the powers of the Company to repurchase, during the period as set out in the Repurchase Resolution, Shares up to a maximum of 10% of the issued share capital of the Company;
“Repurchase Resolution”	the proposed ordinary resolution as referred to in resolution No. 5 of the notice of the Annual General Meeting;
“Second Subscription”	has the meaning ascribed to it in the circular issued by the Company on 21st May, 2004;
“Share Buyback Rules”	the relevant rules set out in the GEM Listing Rules to regulate the repurchase by companies with primary listing on GEM of their own securities on GEM;
“Shareholders”	registered holders of Shares;
“Shares”	ordinary shares of HK\$0.01 each in the issued share capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Substantial shareholder”	has the meaning ascribed thereto in the GEM Listing Rules; and
“Subscription”	has the meaning ascribed to it in the circular issued by the Company on 21st May, 2004.

LETTER FROM THE BOARD

IS **INFOSERVE**[®]
INFOSERVE TECHNOLOGY CORP.
英普達資訊科技公司*
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 8077)

Directors:

Yu Shu Kuen (*Chairman and executive Director*)
Chang Hsiao Hui, Michael (*Executive Director*)
Tsai Tun Chi (*Non-executive Director*)
Ip Man Tin, David (*Independent non-executive Director*)
Leung Hong Tai (*Independent non-executive Director*)

Registered Office:

2/F., Cayside, Harbour Drive
P.O. Box 30592SMB
George Town
Grand Cayman
Cayman Islands
British West Indies

*Head office and principal
place of business:*

11/F, Ying Kong Mansion
2-6 Yee Wo Street
Causeway Bay
Hong Kong

7th June, 2004

To the Shareholders:

Dear Sir or Madam,

INTRODUCTION

The purpose of this document is to provide you with details regarding the ordinary and special resolutions to be proposed at the Annual General Meeting for the granting to the Board of (1) the Repurchase Mandate and a general mandate for the issuance of Shares; (2) the re-appointment of the Directors; and (3) the amendment of the Articles of Association of the Company. Set out on page 18 of this circular is a notice convening the Annual General Meeting at which the Shareholders will be requested to consider and, if thought fit, pass the necessary ordinary and special resolutions to approve the aforesaid matters.

I. REPURCHASE MANDATE

At the Annual General Meeting, an ordinary resolution will be proposed that the Directors be granted the Repurchase Mandate. The Repurchase Mandate will expire at the conclusion of the next annual general meeting of the Company unless renewed at such meeting. In the meantime, the Repurchase Mandate may be revoked or varied by ordinary resolution of the Shareholders at a general meeting prior to the next annual general meeting of the Company.

* For identification purpose only

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An explanatory statement that provides Shareholders with all information reasonably necessary for them to make an informed decision in relation to this proposed resolution, as is required by the GEM Listing Rules concerning the regulation of the purchase by companies of their own securities on the Stock Exchange, is set out in Appendix I to this circular.

II. GENERAL MANDATE TO ISSUE SHARES

At the Annual General Meeting, an ordinary resolution will also be proposed that the Directors be given a general and unconditional mandate to issue further Shares representing up to 20% of the aggregate nominal amount of the share capital of the Company in issue on the date the resolution is passed. In addition, it will be proposed that a further resolution be passed to authorise the Directors to issue Shares in an amount equal to the aggregate issued share capital purchased under the Repurchase Mandate.

III. AMENDMENT OF THE ARTICLES OF ASSOCIATION

At the Annual General Meeting, a Special Resolution will be proposed to confirm and approve the resolution of the Directors made on 28th May, 2004 attached hereto as Annexure 1, regarding the amendment of the Articles of Association of the Company. The Directors resolved that:

- (i) the definition of “Recognised clearing house” under the existing Article 1 be amended to read as follows:

“a recognised clearing house within the meaning of the Securities and Futures Ordinance of Hong Kong and any amendments thereof or a clearing house recognised by the laws of the jurisdiction in which the shares of the Company are listed or quoted on a stock exchange in such jurisdiction.”

- (ii) the definition of subsidiary and holding company in the existing Article 1 be amended to read as follows:

“Subsidiary” and “holding company” shall have the meaning ascribed to it under the Listing Rules.

- (iii) existing Article 80 be amended to read as follows:

“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 required under the Listing Rules (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is duly demanded. A poll may be demanded by:

- (a) the Chairman of the meeting; or
- (b) at least five members present in person or by proxy and entitled to vote or who represent in the aggregate not less than one-tenth of the total voting rights of all members having the right to attend and vote at the meeting; or

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- (c) any member or members present in person or by proxy and holding shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

Unless a poll is so demanded and not withdrawn or unless a poll is required under the Listing Rules, 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."

- (iv) existing Article 85 be amended to read as follows:

"a poll every member present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy shall have one vote for each share registered in his name in the register. On a poll a member entitled to more than one vote is under no obligation to cast all his votes in the same way. In the event that the member is under the Listing Rules 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."

- (v) existing Article 107(c)(i) be amended to read as follows:

"A Director shall not be entitled to vote on (nor shall be counted in the quorum in relation to) any resolution of the Board in respect of any contract or arrangement or any other proposal whatsoever in which he or any of his associates has any material interest, and if he shall do so his vote shall not be counted (nor is he to be counted in the quorum for the resolution), but this prohibition shall not apply to any of the following matters, namely:

- (i) the giving of any security or indemnity either:
 - (aa) to the Director or his associates in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries;
 - (bb) 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 associates has himself thereby assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;"

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- (vi) existing Article 107(c)(ii) be amended to read as follows:

“any proposal 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 associates is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;”

- (vii) existing Article 107(c)(iii) be amended to read as follows:

“any proposal concerning any other company in which the Director or his associates is/are interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the Director or his associates is/are beneficially interested in the shares of that company, provided that, he, together with any of his associates (as defined below in paragraph (f)) is not, beneficially interested in five per cent. or more of the issued shares of any class of such company (or of any third company through which his interest on that of any of his associates is derived) or of the voting rights;”

- (viii) existing Article 107(c)(iv)(bb) be amended to read as follows:

“the adoption, modification or operation of a pension or provident fund or retirement, death or disability benefits scheme which relates both to Directors and their associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or his associate(s) as such any privilege or advantage not generally accorded to the class of persons to which such schemes or fund relates; and”

- (ix) existing Article 107(c)(v) be amended to read as follows:

“any contract or arrangement in which 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 by virtue only of his/their interest in shares or debentures or other securities of the Company;”

- (x) existing Article 107(f) be amended to read as follows:

“For the purpose of paragraph (c)(iii), “Associates” mean, in relation to any Director of the Company:

“Associates” shall have the meaning ascribed to it in the Listing Rules”;

- (xi) existing Article 120 be amended to read as follows:

“No person other than a retiring Director shall, unless recommended by the Board be eligible for election to the office of Director at any general meeting unless, during a period of at least seven days, such period to commence no earlier than the day after the dispatch of the relevant notice of the general meeting in question and ending not later than seven days prior to such general meeting, there has been given to the Secretary notice in writing by a member of the Company (not being the person to be proposed), entitled to attend and vote

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at the meeting for which such notice is given, of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected.”

ANNUAL GENERAL MEETING

The notice convening the Annual General Meeting to be held at the Meeting Room at Island Pacific Hotel, 152 Connaught Road West, Hong Kong on 30th June, 2004 at 10 a.m. is set out on page 18 of this circular.

A form of proxy for use at the Annual General Meeting is enclosed. If you are not able to attend the meeting in person, please complete the form of proxy in accordance with the instructions printed thereon and return the same to the Company as soon as possible and in any event before 10:00 a.m. on 28th June, 2004, being not less than 48 hours before the time appointed for the holding of the meeting. Completion and return of the form of proxy will not preclude you from attending and voting at the Annual General Meeting if you so wish.

RE-APPOINTMENT OF DIRECTORS

At the Annual General Meeting Mr. Yu Shu Kuen, Mr. Tsai Tun Chi, Mr. Ip Man Tin, David and Mr. Leung Hong Tai, will retire and being eligible for re-appointment. Details of their respective profiles are as follows:

Mr. Yu Shu Kuen (“Mr. Yu”), aged 35, joined the Group in November 2003 and being appointed as Chairman and executive director of the Company. He is responsible for strategic planning and implementation for the Group. He had worked in the investment banking field in Hong Kong for approximately 2 years and started his own financial services business in 1996. Mr. Yu entered into a service contract dated 26th November, 2003 for a term of two years. He is entitled to a remuneration pursuant to the contract of HK\$100,000 per month (subject to an annual review by the Board) and a discretionary bonus to be determined by the Board following each completed year of service. However, on 10th March, 2004, it was agreed between Mr. Yu and the Company that Mr. Yu would waive his remuneration pursuant to his service contract effective as of 1st May, 2004. Mr. Yu held no directorships nor major positions in other listed companies in the last three years. Mr. Yu has neither interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance nor any relationships with any directors, senior management or substantial or controlling shareholders of the Company other than acting as the Chairman and an executive director of the Company.

Mr. Tsai Tun Chi (“Mr. Tsai”), aged 38, a non-executive director of the Company and is responsible for strategic planning and setting the operational directions for the Group. He joined Infoserve Technology Corporation, a wholly-owned subsidiary of the Company operating in Taiwan, in August 2002. Mr. Tsai has a Bachelor Degree in Finance from University of Southern California in 1988 and an executive MBA from National Sun Yat Sen University, Taiwan in 2003. He has over 10 years of experience in sales and management. He has worked for Citibank, which is listed on the New York Stock Exchange and a private company principally engaged in shopping center development consultancy services in Taiwan. Mr. Tsai entered into a service contract dated 13th October, 2003 for a term of one year. He is entitled to a

LETTER FROM THE BOARD

remuneration pursuant to the contract of HK\$30,000 per month (subject to an annual review by the Board) and a discretionary bonus to be determined by the Board following each completed year of service. However, on 10th March, 2004, it was agreed between Mr. Tsai and the Company that Mr. Tsai would waive his remuneration pursuant to his service contract effective as of 1st May, 2004. He held no other directorship nor major position in the Group or directorship in other Hong Kong listed companies in the last three years. Mr. Tsai holds 1,200,000 shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Save as disclosed, he has no relationships with any directors, senior management or substantial or controlling shareholders of the Company other than acting as a non-executive director of the Company.

Mr. Ip Man Tin (“Mr. Ip”), aged 58, joined the Group as an independent non-executive director of the Company in February 2004. He served with the Hong Kong Government from 1971 to 1994. From 1996 to 2001, he was the Chief Executive of Golden Land Investment PLC, a company listed on the main board of the London Stock Exchange. In recent years, he has become active in project assignments in Asia and Europe. He holds a Bachelor of Arts Degree and a Master of Public Administration Degree. Mr. Ip is a Member of the Chartered Institute of Marketing and the Institute of Management Consultants. He is currently an independent non-executive director of Global Tech Holdings Ltd (stock code of 143), a company listed on the main board of Stock Exchange. In the last three years, he also was an independent non-executive director of both Arko Energy Holdings Plc, a company listed on the main board of the London Stock Exchange and King Pacific International Holdings Limited (stock code of 72), a company listed on the main board of Stock Exchange but being delisted in March 2004. There is no service contract between the Company and Mr. Ip and his term of service as director of the Company will be subject to the relevant provisions in the Articles of Association of the Company. Mr. Ip has not received any emoluments for services to the Company. Mr. Ip has neither interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance nor any relationships with any directors, senior management or substantial or controlling shareholders of the Company other than acting as an independent non-executive director of the Company.

Mr. Leung Hong Tai (“Mr. Leung”), aged 48, joined the Group as an independent non-executive director of the Company in February 2004. He has more than 18 years of experience in the field of Information Technology. He graduated from the University of Kent, England with a bachelors’ degree in 1982 and a master degree of science in digital communications. He is a full member of the Hong Kong Computer Society (MHKCS), Australian Computer Society (MACS) and Professional Information Security Association (MPISA). Mr. Leung was an executive director of WorldMetal Holdings Limited (stock code 8161), a company listed on GEM of Stock Exchange in the last three years. There is no service contract between the Company and Mr. Leung and his term of service as director of the Company will be subject to the relevant provisions in the Articles of Association of the Company. Mr. Leung has not received any emoluments for services to the Company. Mr. Leung has neither interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance nor any relationships with any directors, senior management or substantial or controlling shareholders of the Company other than acting as an independent non-executive director of the Company.

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RECOMMENDATION

The Directors consider that the granting of the Repurchase Mandate and the general mandate to issue shares as set out in paragraphs I and II above and the amendment of the Articles of Association of the Company as set out in paragraph III above, are beneficial to and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that you vote in favour of the ordinary resolutions and the special resolution to be proposed at the Annual General Meeting.

DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at 11/F, Ying Kong Mansion, 2-6 Yee Wo Street, Causeway Bay, Hong Kong during normal business hours up to and including the date of the Annual General Meeting:

- (a) the memorandum of Association and Articles of Association of the Company; and
- (b) this circular.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors (excluding Mr. Chang) (who has not been contactable at his last known addresses up to the Latest Practicable Date) collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading and that there are no other matters that need to be brought to the attention of the shareholders for the purposes of this circular.

GENERAL

Your attention is also drawn to the appendices to this circular.

Yours faithfully,
By Order of the Board
Infoserve Technology Corp.
Yu Shu Kuen
Chairman

This appendix serves as an explanatory statement, as required by the Share Buyback Rules, to provide the requisite information to you for your consideration of the granting of the Repurchase Mandate. For the purpose of this Appendix, the term “shares” shall be as defined in the Code on Share Repurchases to mean shares of all classes and securities that carry a right to subscribe or purchase shares

SHARE BUYBACK RULES

Under the Share Buyback Rules, any securities buyback by a company with a primary listing on GEM has to comply with the following provisions:

(a) Shareholders’ Approval

All share repurchases by a Company must be approved in advance by an ordinary resolution, either by way of a general mandate or by a specific approval in relation to specific transactions.

(b) Source of Funds

Repurchases must be financed out of funds which are legally available for the purpose in accordance with the Memorandum of Association and Articles of Association of the Company and the laws of the Cayman Islands. A listed Company may not purchase its own securities for a consideration other than cash as for settlement otherwise than in accordance with the GEM Listing Rules.

REASONS FOR SHARE BUYBACK

Although the Directors have no present intention of repurchasing any shares, they believe that the flexibility afforded by the buyback mandate would be beneficial to the Company and its shareholders. Trading conditions on GEM have sometimes been volatile in recent years. At any time in the future when shares are trading at a discount to their underlying value, the ability of the Company to repurchase shares will be beneficial to those shareholders who retain their investment in the Company since their interest in the assets of the Company would increase in proportion to the number of shares repurchased by the Company and thereby resulting in an increase in net assets and/or earnings per share of the Company. Such repurchases will only be made when the Directors believe that such repurchases will benefit the Company and its shareholders.

SHARE CAPITAL

Save and except for the Subscription, the Loan Capitalisation and the Second Subscription as more particularly described in the circular issued by the Company dated 21st May, 2004 which is subject to the shareholders approval at the EGM, as at the Latest Practicable Date, the Company has in issue an aggregate of 575,382,456 Shares.

Subject to the passing of ordinary resolutions to approve the Repurchase Mandate and the mandate to issue Shares, and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the Annual General Meeting, the Company would be allowed (i) under the Repurchase Mandate to repurchase up to a maximum of 57,538,245 Shares; and (ii) to allot, issue and otherwise deal with a maximum of 115,076,491 Shares.

FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Memorandum of Association and Articles of Association of the Company and the laws of the Cayman Islands. Regarding the amount of premium (being the purchase price in excess of the par value per Share) (if any) payable on a repurchase, the Directors will only apply funds of the Company which would otherwise be available for dividend or distribution or out of the share premium account of the Company before the shares are repurchased.

The Company is empowered by its Memorandum of Association and the Articles of Association to repurchase its Shares. Laws of the Cayman Islands provide that the repurchase would be funded entirely from the Company's available cash flow or working capital facilities which will be funded legally available under applicable laws of the Cayman Islands for such purpose. The Company may not repurchase its own Shares on GEM for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

There might be an adverse material impact on the working capital or gearing position of the Company in the event that the Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have an adverse material 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. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time having regard to the circumstances then pertaining.

MARKET PRICES

The highest and lowest prices at which Shares have been traded on GEM during each of the previous 12 months from June 2003 to May 2004 were as follows:

	Share Price	
	Lowest	Highest
	<i>HK\$</i>	<i>HK\$</i>
2003		
June	0.04	0.075
July	0.045	0.06
August	0.045	0.045
September	0.045	0.045
October	0.018	0.04
November	0.025	0.025
	(suspension of trading from 4th November, 2003 onwards)	(suspension of trading from 4th November, 2003 onwards)
December	Suspension of trading	Suspension of trading
2004		
January	Suspension of trading	Suspension of trading
February	Suspension of trading	Suspension of trading
March	Suspension of trading	Suspension of trading
April	Suspension of trading	Suspension of trading
May	Suspension of trading	Suspension of trading

SHARES REPURCHASE MADE BY THE COMPANY

The Company has not repurchased any of its own Shares on GEM during the last six months.

RESOLUTIONS TO BE PROPOSED AT THE ANNUAL GENERAL MEETING

Ordinary resolution 5 to be proposed at the Annual General Meeting relates to the granting of a general mandate to the Directors of the Company to repurchase, on the Stock Exchange, Shares up to a maximum of 10% of the issued share capital of the Company as at the date of the resolution.

Ordinary resolution 4 to be proposed at the Annual General Meeting relates to the granting of a general mandate to the Directors to issue new shares up to a maximum of 20% of the issued share capital of the Company on the date of the resolution; in addition, subject to a separate approval of shareholders of ordinary resolution 5, the number of Shares repurchased by the Company under the Repurchase Mandate will also be added to the 20% general mandate as mentioned above.

DIRECTORS' UNDERTAKING

The Directors (excluding Mr. Chang who has not been contactable at his last known addresses up to the Latest Practicable Date) have undertaken to the Stock Exchange to exercise the powers of the Company to make repurchases under the Repurchase Mandate in accordance with the GEM Listing Rules and laws of the Cayman Islands and in accordance with the regulations set out in the Memorandum of Association and the Articles of Association of the Company.

EFFECT OF THE CODE

If as a result of share repurchases by the Company, a substantial shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Code. Accordingly, a shareholder, or group of shareholders acting in concert, depending on the level of increase of the shareholder's interest, could obtain or consolidate control of the Company or become obliged to make a mandatory offer in accordance with Rule 26 of the Code.

DISCLOSURE OF INTEREST

As at the Latest Practical Date, the interests of the Directors in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which had been notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions of which they were taken or deemed to have under such provisions of the SFO) and/or required to be entered in the register maintained by the Company pursuant to section 352 of the SFO or which were required to be notified to the Company and the Stock Exchange pursuant to the GEM Listing Rules relating to securities transactions by the Directors were as follows:

(A) Long positions in the Shares

Name of director	Number of shares		Total number of shares held	Approximate % to existing issued share capital of the Company
	Beneficial Interest	Interest of Spouse		
Mr. Chang Hsiao Hui, Michael	99,628,984	3,511,768 <i>(Note 1)</i>	103,140,752	17.93%
Mr. Tsai Tun Chi	1,200,000	–	1,200,000	0.21%

Note:

- These shares are held by Ms. Lin Huei Lin, the spouse of Mr. Chang, an executive director of the Company.

(B) Long position in the shares of associated corporations**Infoserve Taiwan**

Name of director	Number of Shares		Total number of shares held
	Beneficial interest	Interest of family	
Mr. Chang	10	20 <i>(Note 1)</i>	30

Notes:

1. These shares are held by the parents of Mr. Chang.
2. Infoserve Taiwan has 92,000,000 shares in issue as at the Latest Practicable Date.

(C) Long positions in the underlying shares-share options

As at the Latest Practicable Date, the Company had two share option schemes, namely the Pre-IPO Share Option Scheme and the Share Option Scheme (both terms as defined in the prospectus of the Company dated 28th December, 2001 (the "Prospectus").

The summary on the particulars of each of the Pre-IPO Share Option Scheme and the Share Option Scheme is set out in Appendix V of the Prospectus under the section headed "SHARE OPTIONS"

(1) Pre-IPO Share Option Scheme

Details of the options granted by the Company to the Directors under the Pre-IPO Share Option Scheme are as follows:

Participants	Date of grant	Exercise period of share options	Exercise price per share	Number of options outstanding	Approximately
					% to existing issued share capital of the Company
Director:					
Mr. Chang	27th December, 2001	8th July, 2002 to 20th December, 2011	0.70	1,136,000	0.20%

(2) *Share Option Scheme*

Details of the options granted by the Company to the Directors under the Share Option Scheme are as follows:

Participants	Date of grant	Exercise period of share options	Exercise price per share	Number of options outstanding	Approximately % to existing issued share capital of the Company
Mr. Chang	21st February, 2002	1st January, 2003 to 31st December, 2005	1.212	1,500,000	0.26%

Save as disclosed above, as at the Latest Practicable Date, none of the Directors (other than Mr. Chang who has not been contactable and in respect of whom such information had not been verified) had any interests or short positions in any shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions of which they were taken or deemed to have under such provision of the SFO) and/or required to be entered in the register maintained by the Company pursuant to section 352 of the SFO or which were required to be notified to the Company and the Stock Exchange pursuant to the GEM Listing Rules relating to securities transactions by the Directors.

(D) Substantial Shareholder

As at the Latest Practicable Date, so far as is known to the Directors (other than Mr. Chang who has not been contactable) or chief executive of the Company, the persons (other than a Director or chief executive of the Company) who had interests and/or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were expected, directly or indirectly, to be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group

and the amount of each of such person's interests in such securities, together with particulars of any options in respect of such capital are as follows:

(1) *Long positions in the shares*

Name of Shareholders	Capacity/ Nature of interests	Number of Shares Long position	Short position	Approximately % to existing issued share capital of the Company
Mr. Tsai Jenp Luh, Phil (Note 1)	Personal/ Family	99,523,688	–	17.30%
Ms. Tu Wen Yueh (Note 1)	Personal/ Family	99,523,688	–	17.30%
Ms. Lin Huei Lin (Note 2)	Personal/ Family	103,140,752	–	17.93%
KA Land Pte Ltd (Note 3)	Beneficial interests	143,802,864	–	24.99%
Singapore Telecommunications Limited (Note 3)	Interests of controlled corporation	143,802,864	–	24.99%

Note:

- Ms. Tu Wen Yueh is the spouse of Mr. Tsai Jenp Luh, Phil. These Shares are held as to 99,305,288 Shares by Mr. Tsai Jenp Luh, Phil and the remaining 218,400 Shares by Ms. Tu Wen Yueh.
- Ms. Lin Huei Lin is the spouse of Mr. Chang. These Shares are held as to 99,628,984 Shares by Mr. Chang and the remaining 3,511,768 Shares by Ms. Lin Huei Lin.
- KA Land Pte Ltd., a wholly-owned subsidiary of Singapore Telecommunications Limited, held 143,802,864 Shares.

(2) *Long positions in the underlying shares-convertible notes*

KA Land Pte Ltd., a wholly-owned subsidiary of Singapore Telecommunication Limited also held convertible notes with an aggregate principal amount of HK\$7,800,000 issued by the Company. Upon full conversion of these convertible notes, 39,000,000 shares of the Company, representing 6.78% of the issued shares of the Company as at the Latest Practicable Date, will be issued.

(3) Long positions in the underlying shares-share options

Name	Date of grant	Exercise period of share options	Exercise price per share HK\$	Number of options outstanding	Approximately % to existing issued share capital of the Company
Mr. Tsai Jenp Luh, Phil	27th December, 2001	8th July, 2002 to 20th December, 2011	0.70	1,144,000	0.20%
	21st February, 2002	1st January, 2003 to 31st December, 2005	1.212	1,500,000	0.26%
				<u>2,644,000</u>	<u>0.46%</u>

Save as disclosed above, the Directors (other than Mr. Chang who has not been contactable) and chief executive of the Company are not aware of any person (other than a Director or chief executive of the Company) who as at the Latest Practicable Date had interests and/or short position in the shares and underlying shares of the Company which would full to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO or was expected, directly or indirectly, to be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

The Directors are not aware of any consequences which will arise under the Code as a result of any repurchases to be made under the Repurchase Mandate. Moreover, the Directors will not make any share repurchase on GEM if the result of the repurchase would result in less than 25% of the issued share capital of the Company in the public hands.

DIRECTORS' DEALINGS

None of the Directors, to the best of their knowledge having made all reasonable enquiries, nor any of their associates presently intends to sell Shares to the Company under the Repurchase Mandate in the event that the Repurchase Mandate is approved by the shareholders.

CONNECTED PERSONS

The Company has not been notified by any connected person of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the Repurchase Mandate is approved by its shareholders.

INFOSERVE[®]
INFOSERVE TECHNOLOGY CORP.
英普達資訊科技公司*

(incorporated in the Cayman Islands with limited liability)
(Stock Code: 8077)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the annual general meeting (the “Meeting”) of the members of Infoserve Technology Corp. (“Company”) will be held at the Meeting Room at Island Pacific Hotel, 152 Connaught Road West, Hong Kong on 30th June, 2004 at 10:00 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. (a) To re-elect the following persons as Directors:
 - (i) Mr. Yu Shu Kuen ;
 - (ii) Mr. Tsai Tun Chi;
 - (iii) Mr. Ip Man Tin, David; and
 - (iv) Mr. Leung Hong Tai
- (b) To authorise the Board of Directors to fix Directors’ remuneration;
3. To re-appoint Deloitte Touche Tohmatsu as the Company’s auditors and authorise the Directors to fix their remuneration;
4. As special business, to consider and, if thought fit, pass with or without amendment(s) the following resolution as Ordinary Resolution:

“THAT:

- (a) subject to paragraph (c) of this Resolution, and pursuant to the Rules Governing the Listing of Securities on The Growth Enterprise Market on The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”), 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 or securities convertible into shares, or options, warrants or similar rights to subscribe for any shares and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;

* For identification purpose only

- (b) the approval in paragraph (a) of this Resolution shall be in addition to any other authorisation given to the Directors of the Company and shall authorise 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;
- (c) the aggregate nominal amount of 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) of this Resolution, otherwise than pursuant to (i) a Right Issue (as hereinafter defined); (ii) an issue of shares upon the exercise of any subscription rights or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares of the Company; or (iii) the grant or exercise of any option under the share option scheme(s) of the Company or any other option, scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or Participants of the Company and/or any of its subsidiaries of shares or rights to acquire shares in the capital of the Company; or (iv) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Articles of Association of the Company in force from time to time, shall not exceed the aggregate of 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this Resolution and the authority pursuant in paragraph (a) of this Resolution 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 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 Memorandum of Association and the Articles of Association of the Company, or any other applicable laws of the Cayman Islands to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this Resolution.

“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 of the Company 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, any jurisdiction applicable to the Company, or any recognised regulatory body or any stock exchange applicable to the Company).”

5. As special business, to consider and, if thought fit, pass with or without amendment(s) the following resolution as Ordinary Resolution:

“THAT:

- (a) subject to paragraph (c) of this Resolution, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase on The Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “GEM”) or any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission, GEM or of any other stock exchange as amended from time to time and all applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to repurchase its Shares at a price determined by the Directors;
- (c) (i) the aggregate nominal amount of shares of the Company which may be repurchased by the Company pursuant to the approval in paragraph (a) of this Resolution during the Relevant Period 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 (ii) the total amount of warrants of the Company, if any, which may be repurchased by the Company pursuant to the approval in paragraph (a) of this Resolution during the Relevant Period shall not exceed 10% of the amount of the warrants of the Company in issue as at the date of the passing of this Resolution and the authority granted pursuant to paragraph (a) of this Resolution 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 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 Memorandum of Association and the Articles of Association of the Company, or any other applicable laws of the Cayman Islands to be held; and

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

- 6. As special business, to consider and, if thought fit, pass with or without amendment(s) the following resolution as Ordinary Resolution:

“**THAT** conditional upon Resolutions Nos. 4 and 5 set out in the notice convening this meeting being duly passed, the general mandate granted to the Directors of the Company to exercise the powers of the Company to allot, issue and deal with 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 and issued 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 required by the GEM Listing Rules, to consider and, if thought fit, pass the following resolution as Special Resolution:

“**THAT** the amendments to the Articles of Association of the Company approved by resolution of the Directors on 28th May, 2004 be confirmed and approved namely:

- (i) the definition of “Recognised clearing house” under the existing Article 1 be amended to read as follows:

“a recognised clearing house within the meaning of the Securities and Futures Ordinance of Hong Kong and any amendments thereof or a clearing house recognised by the laws of the jurisdiction in which the shares of the Company are listed or quoted on a stock exchange in such jurisdiction.”

- (ii) the definition of subsidiary and holding company in the existing Article 1 be amended to read as follows:

“Subsidiary” and “holding company” shall have the meaning ascribed to it under the Listing Rules.

- (iii) existing Article 80 be amended to read as follows:

“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 required under the Listing Rules (before or on the

declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is duly demanded. A poll may be demanded by:

- (a) the Chairman of the meeting; or
- (b) at least five members present in person or by proxy and entitled to vote or who represent in the aggregate not less than one-tenth of the total voting rights of all members having the right to attend and vote at the meeting; or
- (c) any member or members present in person or by proxy and holding shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

Unless a poll is so demanded and not withdrawn or unless a poll is required under the Listing Rules, 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."

- (iv) existing Article 85 be amended to read as follows:

"a poll every member present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy shall have one vote for each share registered in his name in the register. On a poll a member entitled to more than one vote is under no obligation to cast all his votes in the same way. In the event that a member is under the Listing Rules 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."

- (v) existing Article 107(c)(i) be amended to read as follows:

"A Director shall not be entitled to vote on (nor shall be counted in the quorum in relation to) any resolution of the Board in respect of any contract or arrangement or any other proposal whatsoever in which he or any of his associates has any material interest, and if he shall do so his vote shall not be counted (nor is he to be counted in the quorum for the resolution), but this prohibition shall not apply to any of the following matters, namely:

- (i) the giving of any security or indemnity either:
 - (aa) to the Director or his associates in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries;

(bb) 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 associates has himself thereby assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;”

(vi) existing Article 107(c)(ii) be amended to read as follows:

“any proposal 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 associates is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;”

(vii) existing Article 107(c)(iii) be amended to read as follows:

“any proposal concerning any other company in which the Director or his associates is/are interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the Director or his associates is/are beneficially interested in the shares of that company, provided that, he, together with any of his associates (as defined below in paragraph (f)) is not, beneficially interested in five per cent. or more of the issued shares of any class of such company (or of any third company through which his interest on that of any of his associates is derived) or of the voting rights;”

(viii) existing Article 107(c)(iv)(bb) be amended to read as follows:

“the adoption, modification or operation of a pension or provident fund or retirement, death or disability benefits scheme which relates both to Directors and their associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or his associate(s) as such any privilege or advantage not generally accorded to the class of persons to which such schemes or fund relates; and”

(ix) existing Article 107(c)(v) be amended to read as follows:

“any contract or arrangement in which 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 by virtue only of his/their interest in shares or debentures or other securities of the Company”

- (x) existing Article 107(f) be amended to read as follows:

“For the purpose of paragraph (c)(iii), “Associates” mean, in relation to any Director of the Company:

“Associates” shall have the meaning ascribed to it in the Listing Rules”;

- (xi) existing Article 120 be amended to read as follows:

“No person other than a retiring Director shall, unless recommended by the Board be eligible for election to the office of Director at any general meeting unless, during a period of at least seven days, such period to commence no earlier than the day after the dispatch of the relevant notice of the general meeting in question and ending not later than seven days prior to such general meeting, there has been given to the Secretary notice in writing by a member of the Company (not being the person to be proposed), entitled to attend and vote at the meeting for which such notice is given, of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected.”

By Order of the Board

Yu Shu Kuen

Chairman

Hong Kong, 7th June 2004

Notes:

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and, on a poll, vote instead of him at the Meeting. A proxy need not be a member of the Company but must be present in person to represent the member.
2. The form of proxy and the power of attorney or other authority, if any, under which is signed, or a notarially certified copy of such power or authority, must be delivered to the Company at 11/F, Ying Kong Mansion, 2-6 Yee Wo Street, Causeway Bay, Hong Kong not less than 48 hours before the time appointed for the Meeting. Completion and return of the proxy will not preclude any member from attending and voting in person at the Meeting or at any adjourned meeting, the instrument appointing a proxy shall be deemed to be revoked.