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

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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.

**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** all your shares in Arcontech Corporation, you should at once hand this circular to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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### **ARCONTECH CORPORATION**

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

(Stock code: 8097)

## **NOTICE OF ANNUAL GENERAL MEETING AND GENERAL MANDATES TO REPURCHASE SHARES AND ISSUE NEW SHARES AND PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

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This circular, for which the directors of Arcontech Corporation collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to Arcontech Corporation. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:– 1. the information contained in this circular is accurate and complete in all material respects and not misleading; 2. there are no other matters the omission of which would make any statement in this circular misleading; and 3. all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

A notice of the annual general meeting of Arcontech Corporation to be held at 9:00 a.m. on 26 July 2004 is set out on pages 8 to 16 of this circular. Whether you are able to attend or not, please complete and return the enclosed form of proxy to Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible and in any event not later than 5:00 p.m. on 21 July 2004. The completion and delivery of a form of proxy will not preclude you from attending and voting at the annual general meeting in person.

*This circular will remain on the GEM website on the “Latest Company Announcements” page for at least 7 days from the date of its posting and will also remain on the Company’s website at “www.arcon.com.hk” for the same date.*

30 June 2004

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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 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 at [www.hkgem.com](http://www.hkgem.com) in order to obtain up-to-date information on GEM-listed issuers.



**ARCONTECH CORPORATION**

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

(Stock code: 8097)

**Board of directors**

*Executive Directors:*

Tsoi Siu Ching, Leo  
Yip Ho Bun, Edwin

*Independent non-executive Directors:*

Lo Chi Ko  
Ho Yung San

*Head Office and Principal Place of business  
in Hong Kong:*

803A, 8/F., Park Building  
476 Castle Peak Road  
Kowloon  
Hong Kong

*Registered office:*

Ugland House  
P.O. Box 309  
George Town  
Grand Cayman  
Cayman Islands

30 June 2004

*To shareholders of the Company  
and, for information only, options holders*

Dear Sir and Madam,

**NOTICE OF ANNUAL GENERAL MEETING  
AND  
GENERAL MANDATES TO REPURCHASE SHARES  
AND  
ISSUE NEW SHARES  
AND  
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the annual general meeting (the "AGM") of the Company to be held at 9:00 a.m. on 26 July 2004.

**BACKGROUND**

On 13 December 2003, resolutions were passed by the then shareholders of the Company granting general unconditional mandates to the directors of the Company to exercise the powers of the Company to:

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## LETTER FROM THE CHAIRMAN

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- (a) allot, issue and deal with shares in the capital of the Company not exceeding 20 per cent. of the aggregate nominal value of the share capital of the Company in issue as at the date of the resolution;
- (b) repurchase shares of the Company not exceeding 10 per cent. of the aggregate nominal value of the shares of the Company in issue as at the date of the resolution; and
- (c) add to the general mandate for issuing shares set out in paragraph (a) above the number of shares repurchased by the Company pursuant to the repurchase mandate set out in paragraph (b) above.

The above general mandates will expire at the conclusion of the AGM and the purpose of this circular is to request your approval to renew the general mandates as referred to below.

The Directors would also like to seek shareholders' approval of the proposed amendments to the Articles of Association of the Company ("Articles").

### **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 on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") shares in the Company up to a maximum of 10 per cent. of the shares of the Company in issue at the date of passing the ordinary resolution (the "Repurchase Mandate").

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

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 in the schedule to this letter; 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.

An explanatory statement containing information relating to the Repurchase Mandate and as required pursuant to the Rules Governing the Listing of Securities on GEM of the Stock Exchange, in particular Rule 13.08, is set out in the schedule to this letter. 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.

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## LETTER FROM THE CHAIRMAN

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### 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 per cent. 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 in such new shares.

### PROPOSED AMENDMENTS TO THE ARTICLES

In view of certain amendments made to Rules Governing the Listing on the GEM of the Stock Exchange (“GEM Listing Rules”) relating to corporate governance issues which become effective on 31 March 2004 subject to certain transitional arrangements, the board of Directors (“Board”) proposes to the Shareholders for approval of certain amendments to the Articles including, inter alia, the following provisions:

- (a) the period for lodgement by shareholders of the notice to nominate a director shall be 7 days commencing from the date immediately after the despatch of the notice of meeting appointed for such election;
- (b) subject to such exceptions specified in the Articles, a director shall not vote on any board resolution approving any contract or arrangement or any other proposal in which he or any of his associates has a material interest nor shall he be counted in the quorum present at the meeting; and
- (c) where any Shareholder is, under the GEM Listing Rules, required to abstain from voting on any particular resolution or restricted to voting for or against any particular resolution, any votes cast by or on behalf of such Shareholder in contravention of such requirement or restriction shall not be counted.

The Board also proposes to clarify the right to demand a poll by restating certain provisions contained in the Articles.

In addition, the Board also propose that the new memorandum and articles of association of the Company, consolidating all changes previously adopted by the Company and all the changes to be passed by the shareholders of the Company at the AGM, be adopted in replacement of the memorandum and the Articles with effect from the date of passing of the relevant special resolution.

Details of the proposed amendments to the Articles are set out in special resolution in the notice of AGM set out on pages 10 to 16 of this circular.

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## LETTER FROM THE CHAIRMAN

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### THE AGM

The following are the details of the AGM:

Date: 26 July 2004

Time: 9:00 a.m.

Venue: Grand Royal Club, Opal Hall  
Level 6, Tower 2, Metroplaza  
223 Hing Fong Road, Kwai Fong  
New Territories, Hong Kong

The notice convening the AGM is set out on pages 8 to 16 of this circular. Resolutions nos. 4 to 6 as set out in the notice of AGM relate to the general mandates and will be proposed as ordinary resolutions at the AGM for your consideration and approval. 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 Company's share registrar, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong in accordance with the instructions printed thereon as soon as possible and in any event not later than 5:00 p.m. on 21 July 2004. The completion and delivery of a form of proxy will not preclude you from attending and voting at the meeting in person.

### RECOMMENDATION

The directors of the Company consider that the granting of the general mandates referred to in this circular are in the best interests of the Company and its shareholders and so recommend shareholders to vote in favour of the resolutions at the AGM.

Yours faithfully,  
**Tsoi Siu Ching, Leo**  
*Chairman*

# SCHEDULE

## EXPLANATORY STATEMENT

The following is the explanatory statement required to be sent to shareholders pursuant to Rule 13.08 of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (“GEM Listing Rules”) in connection with the proposed Repurchase Mandate which, if approved, would authorise directors of the Company to repurchase shares of HK\$0.10 each (“Shares”) in the Company.

### (a) Number of Shares which may be repurchased

Exercise in full of the Repurchase Mandate, on the basis of 820,000,000 Shares in issue as at 25 June 2004 (being the latest practicable date (the “Latest Practicable Date”) for ascertaining certain information prior to the printing of this circular), would result in 82,000,000 Shares being repurchased by the Company during the period prior to the next annual general meeting of the Company following the passing of the resolution approving the Repurchase Mandate.

### (b) Reasons for proposed repurchase of Shares

The directors of the Company (“Directors”) believe that it is in the interests of the Company and its shareholders to have a general authority from shareholders to enable the Directors to repurchase Shares on GEM. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets of the Company and/or its earnings per Share and will only be made when the Directors believe that such purchases will benefit the Company and its shareholders.

### (c) Source of funds

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its articles of association and the laws of the Cayman Islands.

### (d) Effect of exercising 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 of the Company for the year ended 31 March 2004) 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 on the gearing levels which, in the opinion of the Directors, are from time to time appropriate of the Company.

### (e) Who may sell Shares in the event the Repurchase Mandate is exercised

No connected person (as defined in the GEM Listing Rules) has notified the Company that he 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.

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, their associates (as defined in the GEM Listing Rules), have any present intention, to sell any Shares to the Company in the event that the Repurchase Mandate is approved.

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## SCHEDULE

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**(f) 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.

**(g) The Hong Kong Code on Takeovers and Mergers**

If, as a result of a repurchase of Shares, pursuant to the Repurchase Mandate, 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 Hong Kong Code on Takeovers and Mergers (the "Code"). As a result, a shareholder, or a group of shareholders acting in concert (within that term's meaning under the Code), depending on the level of increase in the shareholders interests, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Code.

As at the Latest Practicable Date, Mr. Tsoi Siu Ching, Leo (through Upgrade Technology Limited), which is an initial management shareholder of the Company, held 472,384,000 Shares representing approximately 57.6 per cent. of the issued Shares. As at the Latest Practicable Date, the Directors are not aware of any consequences for Upgrade Technology Limited under the Code as a result, solely, of the Directors exercising the Repurchase Mandate in full. If Mr. Tsoi Siu Ching, Leo exercises the Repurchase Mandate in full, he will hold 67.24% of the issued shares. The minimum Public float required under GEM Listing Rules is still maintained upon the Repurchase Mandate in full.



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## SCHEDULE

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**(h) No purchases of Shares by the Company**

The Company has not purchased any Shares in the previous six months preceding the Latest Practicable Date.

**(i) Shares prices**

The highest and lowest prices at which the Shares were traded on GEM during each of the calendar months since 1 April 2003 were as follows:

	<b>Shares</b>	
	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2003</b>		
April	0.165	0.123
May	0.189	0.420
June	0.210	0.161
July	suspended	suspended
August	suspended	suspended
September	suspended	suspended
October	suspended	suspended
November	suspended	suspended
December	suspended	suspended
<b>2004</b>		
January	suspended	suspended
February	suspended	suspended
March	suspended	suspended
April	suspended	suspended
May	suspended	suspended
June (up to the Latest Practicable Date)	suspended	suspended

*Note: Trading of the shares were suspended during the period from 27 June 2003 to the Latest Practicable Date*

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# NOTICE OF ANNUAL GENERAL MEETING

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## ARCONTECH CORPORATION

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

(Stock code: 8097)

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of the members of Arcontech Corporation (the “Company”) will be held at Grand Royal Club, Opal Hall, Level 6, Tower 2, Metroplaza, 223 Hing Fong Road, Kwai Fong, New Territories, Hong Kong on 26 July 2004 at 9:00 a.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements and the reports of the directors and auditors for the year ended 31 March, 2004.
2. To re-elect the retiring director and to authorize the board of directors to fix remuneration of all directors.
3. To re-appoint auditors of the Company and to authorize the board of directors to fix their remuneration.
4. To consider as special business, and if thought fit, pass, with or without amendments, the following resolution as an ordinary resolution of the Company:

**“THAT:**

- (A) subject to paragraph (C) of this resolution, pursuant to the Rules Governing the Listing of Securities on the Growth Enterprise Market (“GEM”) of 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 (otherwise than by way of rights issue or pursuant to the exercise of options granted under any of the Company’s share option schemes 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 share capital of the Company and to make or grant any offers, agreements and options which would or might require the exercise of such powers, be and is hereby generally and unconditionally approved;
- (B) the approval in paragraph (A) of this resolution shall be in addition to any other authorization given to the directors and shall authorize the directors of the Company during the Relevant Period (as hereinafter defined) to make or grant any offers, agreements and options which would or might require the exercise of such powers either during or after the end of the Relevant Period (as hereinafter defined);

## 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 an option or otherwise) and issued by the directors of the Company pursuant to the approval in paragraph (A) above shall not exceed 20 per cent. of the aggregate nominal value of the issued share capital of the Company at the date of the passing of this resolution, and the said approval shall be limited accordingly; and
- (D) for the purposes of this resolution, “Relevant Period” means the period from 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 Articles of Association of the Company or any applicable laws to be held; or
  - (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting;

“rights issue” means the allotment or issue of shares in the Company or other securities which would or might require shares to be allotted and issued pursuant to an offer made to all the shareholders of the Company (excluding for such purpose any shareholder who is resident in a place where such offer is not permitted under the laws of that place) and, where appropriate, the holders of other equity securities of the Company entitled to such offer, pro rata (apart from fractional entitlements) to their existing holdings of shares or such other equity securities.

5. To consider as special business, 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 of the Company during the Relevant Period (as defined in resolution 4(D) set out in the Notice of this Meeting) of all the powers of the Company to repurchase the issued shares of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchange on which shares in the capital of the Company may be listed and which is recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the 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; and
- (B) the aggregate nominal amount of shares of the Company which the Company is authorized to repurchase pursuant to the approval in paragraph (A) of this resolution during the Relevant Period (as defined in resolution 4(D) set out in the Notice of this

## NOTICE OF ANNUAL GENERAL MEETING

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Meeting) shall not exceed 10 per cent. of the aggregate nominal value of the issued share capital of the Company at the date of the passing of this resolution, and the said approval shall be limited accordingly.”

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

“**THAT** conditional upon the passing of resolutions Nos. 4 and 5 (as set out in the Notice of this Meeting), the unconditional general mandate granted to the directors of the Company and for the time being in force to exercise the powers of the Company to allot, issue and deal with shares of the Company pursuant to resolution No. 4 (as set out in the Notice of this Meeting) be and is hereby extended by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to such unconditional 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 (as set out in the Notice of this Meeting), provided that such extended amount shall not exceed 10 per cent. of the aggregate nominal value of the issued share capital of the Company at the date of passing this resolution.”

7. To consider as special business, and if thought fit, pass, with or without amendments, the following resolution as special resolution:

(A) “**THAT** the Articles of Association of the Company be amended as follows:

(a) amending Article 2 as follows:

- (i) By inserting the following new definition of “associate” in Article 2:

“associate” shall have the meaning attributed to it in the Listing Rules.

- (ii) By inserting the following new definition of “clearing house” in Article 2:

“clearing house” shall mean 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.”

- (iii) By adding the following wording to the definition of “writing/printing” in Article 2, after the words “non-transitory form”:

“, including the form of electronic display, provided that both the mode of service of the relevant document or notice and the members’ election (where applicable) comply with all applicable laws, rules and regulations; 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 legally acceptable method and references to a notice or document

## NOTICE OF ANNUAL GENERAL MEETING

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include a notice or document recorded or stored in any digital, electronic, magnetic or other retrievable form or medium and information in visible form whether having physical substance or not.

(b) By adding the words “or by proxy” before the words “shall have one vote and on a poll” in Articles 85.

(c) By inserting the following as new Article 85A:

“85A Where the Company has knowledge that any member is, under the Listing Rules, required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.”

(d) By deleting Articles 107(c) to (f) in their entirety and substituting therefore the following as new Articles 107(c) to (f):

“107(c) A Director shall not vote (nor be counted in the quorum) on any resolution of the Board 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 associate(s) or obligations incurred or undertaken by him or any of his associate(s) 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;

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- (iv) 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;
- (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 or in which the Director and any of his associates are not in aggregate 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 of any third company through which his interest or that of any of his associates is derived) or of the voting rights; or
- (vi) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:
  - (a) the adoption, modification or operation of any employee's share option scheme or any share incentive or share option scheme under which the Director or his associate(s) may benefit; or
  - (b) the adoption, modification or operation of 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 generally to the class of persons to which such scheme or fund relates.
- (d) 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 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

## NOTICE OF ANNUAL GENERAL MEETING

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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.

- (e) Where a company in which a Director and/or his associate(s) holds five (5) per cent. or more is materially interested in a transaction, then that Director and/or his associate(s) shall also be deemed materially interested in such transaction.
- (f) 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 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 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.”

- (e) amending Article 120 as follows:

By deleting the words “not less than seven and not more than 25 clear days before the day appointed for the meeting” and replacing them with the following:

“no earlier than the day after dispatch of the notice of the meeting and no later than seven days prior to the meeting”.

- (f) By re-numbering the existing Article 158 as Article 158(1) and by adding the following as new Article 158(2):

“(2) Notwithstanding any provision contained in these Articles, the Directors may if permitted by applicable laws, authorise the destruction of documents set out in Article 158(1) and any other documents in relation to share registration which have been microfilmed or electronically stored by the Company or by the

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Share Registrar on its behalf provided always that this Article shall only apply to the destruction of a document in good faith and without express notice to the Company and its Share Registrar that the preservation of such document was relevant to a claim.”

- (g) By adding the following new sub-paragraphs after the Article 163(b):
- “(c) To the extent permitted by and subject to due compliance with all applicable laws, rules and regulations, including, without limitation, the Listing Rules, and to obtaining all necessary consents, if any, required thereunder, the requirements of Article 163(b) shall be deemed satisfied in relation to any person by sending to the person in any manner not prohibited by the laws, 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.
- (d) The requirement to send to a person referred to in Article 163(b) the documents referred to in that provision or a summary financial report in accordance with Article 163(c) shall be deemed satisfied where, in accordance with all applicable laws, rules and regulations, including, without limitation, the Listing Rules, the Company publishes copies of the documents referred to in Article 163(b) and, if applicable, a summary financial report complying with Article 163(c), 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.”
- (h) By deleting Article 167(a) in its entirety and substituting therefor the following as new Article 167(a):–
- “167(a). Any notice or document (including any “corporate communication” within the meaning ascribed thereto under the Listing Rules), whether or not, to be given or issued under these Articles from the Company to a member of the



## NOTICE OF ANNUAL GENERAL MEETING

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Company 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 delivered by the Company on or to any member of the Company either personally or by sending it through the post in a prepaid envelope addressed to such member of the Company 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 of the Company or may also be served by advertisement in appropriate newspapers in accordance with the requirements of the Exchange or, to the extent permitted by the applicable laws, by placing it on the Company's website or the Exchange's website and giving to the member of the Company 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 of the Company by any of the means set out above. In the case of 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."

- (i) By deleting Article 169 in its entirety and substituting therefor the following as new Article 169:

"Any notice or other document:

- (a) if served or delivered by post, shall be deemed to have been served or delivered on the day following that on which the envelope containing the same, properly prepaid and addressed, is put into the post; in proving such service or delivery it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly addressed and put into the post and a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board that the envelope or wrapper containing the notice or other document was so addressed and put into the post shall be conclusive evidence thereof;

## NOTICE OF ANNUAL GENERAL MEETING

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- (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 or document placed on the Company's website or the Exchange's website is deemed given by the Company to a member of the Company on the day following that on which a notice of availability is deemed served on the member of the Company;
  - (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 or transmission; 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 act and time of such service, delivery, despatch or transmission shall be conclusive evidence thereof; and
  - (d) may be given to a member of the company either in the English language or the Chinese language, subject to due compliance with all applicable laws, rules and regulations.”
- (B) **THAT** the new memorandum and articles of association of the Company, consolidating all changes previously adopted by the Company and all of the changes referred to in part (A) above, a copy of which has been produced to this meeting marked “A”, be and is hereby adopted with immediate effect in replacement of the existing memorandum and articles of association of the Company.”

By Order of the Board  
**Arcontech Corporation**  
**Tsoi Siu Ching, Leo**  
*Chairman*

Hong Kong, 30 June 2004

As at the date of this announcement, the board of directors of the Company comprises two executive directors, namely Messrs. Tsoi Siu Ching, Leo and Yip Ho Bun, Edwin; and two independent non-executive directors, namely Messrs. Lo Chi Ko and Ho Yung San.

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## NOTICE OF ANNUAL GENERAL MEETING

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*Notes:*

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
2. To be valid, the instrument appointing a proxy and (if required by the board of directors) 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 share registrar, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 5:00 p.m. on 21 July 2004.
3. Delivery of an instrument appointing a proxy will not preclude a member from attending and voting in person at the meeting if the member so desires and in such event, the instrument appointing a proxy shall be deemed to be revoked.

*This notice will remain on the GEM website on the "Latest Company Announcements" page for at least 7 days from the date of its posting.*

*This notice will also be posted on the website of the Company at [www.arcon.com.hk](http://www.arcon.com.hk) from the date of its posting.*