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

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**If you are in any doubt** as to any aspect of this circular or as to the action you should take, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Moulin International Holdings Limited, you should at once hand this circular and the accompanying 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.

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**MOULIN INTERNATIONAL HOLDINGS LIMITED**

**(泰興光學集團有限公司)\***

*(Incorporated in Bermuda with limited liability)*

**STOCK CODE: 389**

**PROPOSED GENERAL MANDATES TO REPURCHASE SHARES  
AND TO ISSUE NEW SHARES  
AND AMENDMENTS TO THE BYE-LAWS**

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A notice convening the annual general meeting of Moulin International Holdings Limited to be held at 4/F, Kenning Industrial Building, 19 Wang Hoi Road, Kowloon Bay, Kowloon, Hong Kong on 14 June 2004 at 3:30 p.m. is set out in Appendix II on pages 12 to 21 of this circular. Whether or not you are able to attend the meeting, you are requested to complete and return the 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 appointed for holding of the meeting or any adjournment. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

Hong Kong, 12 May 2004

\* For identification purposes only

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## CONTENTS

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	<i>Page</i>
<b>Responsibility Statement</b> .....	1
<b>Definitions</b> .....	2
<b>Letter from the Board</b> .....	3
<b>Appendix I — Explanatory Statement on the Repurchase Mandate</b> .....	8
<b>Appendix II — Notice of Annual General Meeting</b> .....	12
<b>Appendix III — Details of Directors proposed to be elected at the Annual General Meeting</b> .....	22

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## **RESPONSIBILITY STATEMENT**

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This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors 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.

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## DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at 4/F, Kenning Industrial Building, 19 Wang Hoi Road, Kowloon Bay, Kowloon, Hong Kong on 14 June 2004 at 3:30 p.m., notice of which is set out in Appendix II on pages 12 to 21 of this circular
“Board”	the board of Directors
“Bye-laws”	the existing bye-laws of the Company
“Company”	Moulin International Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK”	Hong Kong
“HK\$”	Hong Kong dollars
“Latest Practicable Date”	12 May 2004, being the latest practicable date prior to the printing of this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Repurchase Mandate”	the general mandate granted to the Directors to repurchase securities of the Company as referred to in the paragraph headed “General Mandate To Repurchase Shares” in this circular
“Shares”	shares of HK\$0.50 each in the share capital of the Company
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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## LETTER FROM THE BOARD

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### MOULIN INTERNATIONAL HOLDINGS LIMITED

(泰興光學集團有限公司)\*

(Incorporated in Bermuda with limited liability)

*Executive Directors:*

Ma Bo Kee (*Chairman*)  
Ma Bo Fung (*Vice Chairman*)  
Ma Bo Lung (*Vice Chairman*)  
Ma Lit Kin, Cary (*Chief Executive Officer*)  
Ma Hon Kin, Dennis  
Tong Ka Wai, Dicky

*Independent Non-Executive Directors:*

Ng Tai Chiu, David  
Chan Wing Wah, Ivan

*Non-Executive Director:*

Lee Sin Mei, Olivia

*Registered Office:*

Clarendon House  
Church Street  
Hamilton HM 11  
Bermuda

*Principal Place of Business:*

4/F, Kenning Industrial Building  
19 Wang Hoi Road  
Kowloon Bay  
Kowloon  
Hong Kong

12 May 2004

*To the shareholders and option-holders  
(for information only)*

Dear Sir or Madam,

### **PROPOSED GENERAL MANDATES TO REPURCHASE SHARES AND TO ISSUE NEW SHARES AND AMENDMENTS TO THE BYE-LAWS**

#### **INTRODUCTION**

The purpose of this circular is to give you information regarding the resolutions to be proposed at the AGM of the Company to be held at 4/F., Kenning Industrial Building, 19 Wang Hoi Road, Kowloon

\* For identification purposes only

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## LETTER FROM THE BOARD

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Bay, Kowloon, Hong Kong on Monday, 14 June, 2004 at 3:30 p.m. to enable the Shareholders to make an informed decision on whether to vote for or against the ordinary and special resolutions.

A form of proxy for use at the AGM is enclosed. Whether or not you are able to attend the AGM, you are requested to complete and return the 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 appointed for holding of the meeting or any adjournment. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM or any adjournment should you so wish.

The ordinary resolutions include (i) granting to the Directors a general and unconditional mandate to repurchase, on the Stock Exchange, the Shares of the Company up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the resolution; and (ii) granting to the Directors a general and unconditional mandate (a) to allot, issue and deal with further Shares representing up to a maximum of 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the resolution and (b) to allot, issue and deal with Shares not exceeding the aggregate nominal amount of share capital so repurchased by the Company pursuant to the Repurchase Mandate.

The special resolution relates to the amendments to the Bye-laws in line with the amendments to the Listing Rules.

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

Under the Listing Rules, listed companies are allowed to repurchase their own issued securities. The Bye-laws also enable such securities repurchases to be made. The Directors consider that the power to repurchase the Shares increases flexibility in the conduct of the Company's affairs and is in the best interests of its Shareholders.

An ordinary resolution will be proposed at the AGM to give a general mandate to the Directors to exercise the powers of the Company to repurchase its own Shares at any time until the first to occur of either the conclusion of the next annual general meeting of the Company following the passing of the resolution (unless the mandate is renewed at such meeting) or the expiration of the period within which the next annual general meeting of the Company is required by Bermuda law or the Bye-laws to be held or until the mandate is revoked or varied by an ordinary resolution of the Shareholders of the Company in general meeting. The Shares which may be repurchased by the Company pursuant to the Repurchase Mandate is limited to a maximum of 10% of the issued share capital of the Company at the date of the passing of the resolution approving the Repurchase Mandate.

An explanatory statement as required under the Listing Rules, giving certain information regarding the Repurchase Mandate is set out in Appendix I to this circular.

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## LETTER FROM THE BOARD

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### GENERAL MANDATE TO ISSUE SHARES

At the AGM, an ordinary resolution will be proposed that the Directors be given a general and unconditional mandate to issue new Shares representing up to 20% of the issued share capital of the Company as at the date the resolution is passed. In addition, an ordinary resolution will also be proposed to authorise an extension of such general mandate to be granted to the Directors to issue new Shares during the period up to the next annual general meeting of the Company or such earlier period as stated in the relevant resolution by adding to the aggregate number of Shares of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandate the number of Shares repurchased under the Repurchase Mandate, if granted.

### AMENDMENTS TO THE BYE-LAWS OF THE COMPANY

In order to bring the Bye-laws in line with the recent amendments to the Listing Rules which came into effect on 31 March, 2004, a special resolution will be proposed at the AGM to amend the Bye-laws as set out below:

- |                           |  |
|---------------------------|--|
| (i) existing Bye-law 1    | To insert new definition of “associate” in accordance with Chapter 1 of the Listing Rules.   |
| (ii) new Bye-law 76(2)    | To be added in order to reflect the restriction on voting by members as required by the amended Appendix 3 of the Listing Rules.   |
| (iii) existing Bye-law 88 | To be amended in order to be consistent with the amended Appendix 3 of the Listing Rules which requires that the minimum 7 days period for lodgment by shareholders of a notice to nominate a director shall commence no earlier than the day after the dispatch of the notice of the general meeting and end no later than 7 days before the date of the general meeting. |
| (iv) existing Bye-law 103 | To be amended in order to be consistent with the amended Appendix 3 of the Listing Rules that a director shall abstain from voting at the board meetings on matters in which he or any of his associates has a material interest and shall not be counted towards the quorum of such meeting.  |

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## LETTER FROM THE BOARD

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With the repeal of the Securities and Futures (Clearing Houses) Ordinance and the coming into effect of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), it is also proposed that the definition of “clearing house” under Bye-law 1 be amended to refer to the new Ordinance.

Amendments have also been proposed to allow notices of meetings for shareholders to be given by, inter alia, electronic means and a new definition of “electronic” is accordingly inserted in Bye-law 1. In addition, the Directors proposed to amend the Bye-laws to empower the Company to send summarized financial statements and communications in electronic form to Shareholders if so elected and consented to.

### **PROCEDURES BY WHICH SHAREHOLDERS MAY DEMAND A POLL**

Pursuant to Bye-law 66 of the Bye-laws, a resolution put to the vote of any general meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded by the Chairman of the meeting or:

- (i) by at least three shareholders present in person or by duly authorized representative in case of shareholder being a corporation or by proxy for the time being entitled to vote at the meeting;
- (ii) by any shareholder or shareholders present in person or by duly authorized representative in case of shareholder being a corporation or by proxy and representing not less than one-tenth of the total voting rights of all the shareholder having the right to vote at the meeting; or
- (iii) by any shareholder or shareholders present in person or by duly authorized representative in case of shareholder being a corporation or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

### **RECOMMENDATION**

The Directors consider that the proposed ordinary resolutions for the granting to the Directors of the general mandate to issue shares, the Repurchase Mandate and the proposed special resolution for the amendments to the Bye-laws are in the interests of the Company and its Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favour of all the resolutions to be proposed at the AGM.



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## LETTER FROM THE BOARD

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### GENERAL INFORMATION

Your attention is drawn to the additional information set out in Appendix I (Explanatory Statement), Appendix II (Notice of Annual General Meeting), Appendix III (Details of Directors proposed to be elected) to this circular. Your attention is also drawn to the Chinese version of the notice of AGM published by the Company in the Economic Times dated 29 April, 2004. According to such notice, the resolution relating to the amendments to the Bye-laws is stated to be proposed by way of an ordinary resolution. The Board wishes to clarify that the resolution approving the amendments to the Bye-laws will be proposed as a special resolution (as opposed to an ordinary resolution) as set out in the notice of the AGM contained in Appendix II to this circular.

Yours faithfully,  
By the order of the Board  
**Ma Bo Kee**  
*Chairman*

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## **APPENDIX I EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE**

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This Appendix serves as an explanatory statement, as required by the Rules Governing of the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), to provide information to you with regard to the Repurchase Mandate.

### **1. Listing Rules relating to the repurchase of securities**

The Listing Rules permit companies whose primary listings are on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) to repurchase their shares on the Stock Exchange subject to certain restrictions amongst which the Listing Rules provide that the shares proposed to be repurchased by a company must be fully paid-up and all repurchases of shares by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of shareholders either by way of general mandate to the Directors to make such repurchases or by specific approval of a particular transaction.

### **2. Share capital**

On the Latest Practicable Date, the issued share capital of the Company comprised 499,200,562 ordinary shares. Subject to the passing of the proposed resolution granting the Repurchase Mandate and on the basis that no Shares are allotted and issued or repurchased by the Company prior to the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 49,920,056 Shares, representing ten (10) per cent of the issued share capital of the Company as at the date of passing the proposed resolution on the Repurchase Mandate.

### **3. Reasons for the repurchase**

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

### **4. Funding of repurchases**

Repurchases made pursuant to the Repurchase Mandate would be funded out of funds legally available for such purpose in accordance with the Company’s memorandum of association and bye-laws, the Listing Rules and the applicable laws of Bermuda.

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## APPENDIX I EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

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Taking into account the current working capital and gearing position of the Company, the Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of the Company as compared with the position disclosed in the annual report for the financial year ended 31 December, 2003. 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 or the gearing level of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

### 5. Share prices

The highest and lowest prices at which the Shares were traded on the Stock Exchange in each of the previous twelve months immediately prior to the Latest Practicable Date were as follows:—

	<b>Highest</b>	<b>Lowest</b>
	\$	\$
<b>2003</b>		
May	3.850	3.325
June	4.050	3.700
July	5.000	3.800
August	4.900	4.300
September	4.775	4.375
October	6.150	4.525
November	6.300	5.500
December	6.100	5.050
<b>2004</b>		
January	6.050	4.950
February	6.350	5.450
March	5.800	5.050
April	5.600	5.100

*Source: The Stock Exchange of Hong Kong Limited*

### 6. Disclosure of the Directors interests

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

**7. Undertaking of the Directors**

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to make purchases of the Shares pursuant to the Repurchase Mandate in accordance with the Listing Rules, applicable laws of Bermuda and the regulations set out in the memorandum of association and Bye-laws of the Company.

**8. Implications under the Takeovers Code**

If a Shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase securities pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of The Hong Kong Code on Takeovers and Mergers (the "Takeovers Code"). As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, KFL Holdings Limited, a substantial shareholder of the Company, held approximately 32.56% of the then existing issued Shares. On the basis that 499,200,562 Shares in issue as at the Latest Practicable Date and assuming no further issue or repurchase of Shares prior to the date of the Annual General Meeting, if the Repurchase Mandate were exercised in full, the percentage shareholding of KFL Holdings Limited in the Company would increase to approximately 36.18%. Such increase may give rise to an obligation on the part of KFL Holdings Limited to make a mandatory offer under Rule 26 of the Takeovers Code. Save as aforesaid, the Directors are not aware of any consequences which will arise under the Takeovers Code as a result of any purchases made under the Repurchase Mandate.

Further, the Company may not purchase its own Shares on the Stock Exchange if that purchase would result in the number of Shares which are in the hands of the public falling below 25 per cent. of the Company's issued share capital.

**9. Connected persons**

As at the Latest Practicable Date, no connected person of the Company has notified the Company that he/she/it has a present intention to sell any securities of the Company nor has such connected person undertaken to sell any of the securities held by him/her/it to the Company in the event that the Repurchase Mandate is granted.

**10. Share repurchase made by the Company**

During the six months preceding the Latest Practicable Date, the Company had not purchased, sold or redeemed any of the Company's listed securities.

**NOTICE IS HEREBY GIVEN** that the annual general meeting of shareholders of Moulin International Holdings Limited (the “Company”) will be held at 3:30 p.m. on Monday, 14 June 2004 at 4/F, Kenning Industrial Building, 19 Wang Hoi Road, Kowloon Bay, Kowloon, Hong Kong for the following purposes:

1. to receive and approve the audited consolidated financial statements and the reports of the directors of the Company and the auditors for the financial year ended 31 December 2003;
2. to declare a final dividend;
3. to elect directors and to authorize the board of directors to fix the remuneration of the directors;
4. to re-appoint auditors and to authorize the board of directors to fix their remuneration;
5. As special business, to consider and, if thought fit, pass the following resolutions as Ordinary Resolutions:

(A) “That:

- (a) subject to sub-paragraph (c) below, the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in sub-paragraph (a) above shall authorize the directors of the Company during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which would or might require the exercise of such power 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) and issued by the directors of the Company pursuant to the approval in sub-paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined in sub-paragraph (d) below); (ii) the exercise of the subscription rights under any share option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares; (iii) the exercise of the subscription rights under the terms of

any warrants issued by 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 in accordance with the Bye-laws of the Company, shall not exceed 20 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing 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 earlier of:—

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

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

(B) “That:

- (a) subject to sub-paragraph (b) below, the exercise by the directors of the Company during the Relevant Period of all powers of the Company to purchase its own shares and warrants, subject and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time), be and is hereby generally and unconditionally approved;

(b) the aggregate nominal amount of shares and warrants of the Company purchased by the Company pursuant to the approval in sub-paragraph (a) above during the Relevant Period shall not exceed 10 percent of the aggregate nominal amount of the share capital of the Company in issue and 10 percent of the outstanding warrants of the Company at the date of passing this Resolution and the said approval be limited accordingly; and;

(c) for the purposes of this Resolutions:—

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

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable law to be held; and

(iii) the revocation or variation of this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

(C) “That conditional upon Resolutions 5A and 5B above being passed, the general unconditional mandate as mentioned in Resolution 5A above shall be extended by the directors pursuant to such general unconditional mandate of any amount representing the aggregate nominal amount of the share capital repurchased by the Company pursuant to the general unconditional mandate referred to in Resolution 5B above, provided that such extended amount shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution.”

6. As special business, to consider and, if thought fit, pass the following resolution as Special Resolution:

“That the Bye-laws of the Company be and are hereby amended in the following manner:

(A) by inserting the following new definitions in Bye-law 1 :

“Associate”

the meaning ascribed to it under the Listing Rules.



“electronic”	relating to technology having electrical, digital, magnetic, wireless, optical electromagnetic or similar capabilities and such other meanings as given to it in the Electronic Transactions Act 1999 of Bermuda as may be amended from time to time.
“full financial statements”	the financial statements that are required under section 87(1) of the Companies Act.
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time).
“summarized financial statements”	the meaning ascribed to them in the section 87A(3) of the Companies Act.

- (B) by deleting the definitions of “clearing house” in Bye-law 1 and substituting therefor the following:

“clearing house”	a recognized clearing house within the meaning of Schedule 1 to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) or a clearing house or authorized shares depository recognized by the laws of the jurisdiction in which the shares of the Company are listed or quoted on a stock exchange in such jurisdiction.
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- (C) by deleting Bye-law 76 in its entirety and substituting therefor the following:

- “(1) No Member shall, unless the Board otherwise determines, be entitled to attend and vote and to be reckoned in quorum at any General Meeting unless he is duly registered and all calls or other sums presently payable by him in respect of shares in the Company have been paid; and
- (2) Where any 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.”

- (D) by deleting Bye-law 88 in its entirety and substituting therefor the following:

“No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a Notice signed by a Member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a Notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office or at the Registration Office provided that the minimum length of the period, during which such Notice(s) are given, shall be at least seven (7) days and that the period for lodgment of such Notice(s) shall commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.”

- (E) by deleting Bye-law 103 in its entirety and substituting therefor the following:

“(1) A Director shall not vote (nor be counted in the quorum) on any resolution of the Board approving any contract or arrangement or proposal in which he or any of his Associates has a material interest, but this prohibition shall not apply to any of the following matters namely:

- (a) the giving of any security or indemnity either:—

- (i) to such Director or his Associate(s) in respect of money lent by him or any of them to 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; or
- (ii) to a third party in respect of a debt or obligation of the Company or any or its subsidiaries for which the Director or any of his Associates has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security; or

- (b) any proposal concerning an offer of the 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; or

- (c) any proposal concerning any other company in which the Director or his Associate(s) is/are interested, whether directly or indirectly, as an officer or executive or member or in which the Director and/or his Associate(s) is/are beneficially interested in shares of the company, provided that the Director and/or his Associate(s) is/are not in aggregate beneficially interested in five (5) per cent or more of the issued shares of any class of such company (or of any third company through which his interest or that of his Associate(s) is derived) or of the voting rights; or
  - (d) any proposal or arrangement concerning the benefit of employees of the issuer or its subsidiaries including:—
    - (i) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which the Director or any of his Associates may benefit; or
    - (ii) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to Directors, their Associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director, or any of his Associates, as such any privilege or advantage not generally be accorded to the class of persons to which such scheme or fund relates;
  - (e) 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.
- (2) A company shall be deemed to be a company in which a Director and/or any of his Associates owns five (5) per cent or more of any class of the voting equity share capital of such company or of the voting rights of any class of shares of such company if and so long as (but only if and so long as) he and/or his Associates is (either directly or indirectly) the holder of or beneficially interested in five (5) per cent or more of any class of the equity share capital of such company (or of any third company through which his interest or that of his Associate(s) is derived) or of the voting rights of any class of shares of the company. For the purpose of this paragraph, there shall be disregarded any shares held by a Director or his Associates 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 interest of the Director or his Associates is 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 authorized

unit trust scheme in which the Director or his Associates is interested only as a unit holder.

- (3) 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.
- (4) If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the chairman of the Meeting) or any of his Associates or as to the entitlement of any Director (other than such chairman) to vote or be counted in the quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, 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 or his Associates 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 or his Associates, such question shall be decided by a resolution of the Board (for which purpose such chairman shall not be counted in the quorum and 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 or his Associates as known to such chairman has not been fairly disclosed to the Board.”

(F) by deleting Bye-law 153 in its entirety and substituting therefor the following:

- “(1) Subject to Section 88 of the Act and Bye-law 153 (2) below, a printed copy of the Directors’ report, accompanied by the balance sheet and profit and loss account, including every document required by law to be annexed thereto, made up to the end of the applicable financial year and containing a summary of the assets and liabilities of the Company under convenient heads and a statement of income and expenditure, together with a copy of the Auditors’ report, shall be sent to each person entitled thereto at least twenty-one (21) days before the date of the general meeting and laid before the Company in general meeting in accordance with the requirements of the Act provided that this Bye-law shall not require a copy of those documents to be sent to any person whose address the Company is not aware or to more than one of the joint holders of any shares or debentures.

(2) The Company may send summarized financial statements to members of the Company who have, in accordance with the Statutes, the Listing Rules and any applicable laws, rules and regulations, consented and elected to receive summarized financial statements instead of the full financial statements. The summarized financial statements must be accompanied by the Auditor's report and notice informing the member how to notify the Company that he elects to receive the full financial statements. The summarized financial statements, notice and Auditor's report must be sent not less than twenty-one (21) days before the general meeting to those members that consented and elected to receive the summarized financial statements."

(G) by deleting the existing Bye-laws 160 to 161 (inclusive) in their entirety and substituting therefor the following:

"160. Any notice or document to be given or issued under these Bye-laws in writing may be served or delivered by the Company by any of the following means subject to and to such extent permitted by and in accordance with the Statutes, the Listing Rules and any applicable laws, rules and regulations:

- (a) personally;
- (b) by sending it through the post in a properly prepaid letter, envelope or wrapper addressed to a member at his registered address as appearing in the register of members;
- (c) by delivering or leaving it at such address as aforesaid;
- (d) by advertisement in an English language newspaper and a Chinese language newspaper in Hong Kong in accordance with the Listing Rules;
- (e) by transmitting it as an electronic communication to the entitled person at such electronic address as he may have provided; or
- (f) by publishing it on the Company's computer network.

In case of joint holders of a share, all notices shall be given to that one of the joint holders whose name stands first in the register of members and notice so given shall be sufficient notice to all the joint holders.

161. Any notice or document (including any “corporate communication” within the meaning ascribed thereto in the Listing Rules) given or issued by or on behalf of the Company:
- (a) if served or delivered by post, shall be deemed to have been served on the day following that on which the envelope or wrapper containing the same is put into a post office situated within Hong Kong and in proving such service it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly prepaid, addressed and put into such post office (airmail if posted from Hong Kong to an address outside Hong Kong) and a certificate in writing signed by the Secretary or other person appointed by the Board that the envelope or wrapper containing the notice or document was so properly prepaid, addressed and put into such post office shall be conclusive evidence thereof;
  - (b) if not served or delivered by post but delivered or left at a registered address by the Company, shall be deemed to have been served on the day it was so delivered or left;
  - (c) if published by way of a newspaper advertisement, shall be deemed to have been served on the date on which it is advertised in one English language newspaper and one Chinese language newspaper in Hong Kong;
  - (d) if sent as an electronic communication, shall be deemed to have been served at the time when the notice or document is transmitted electronically provided that no notification that the electronic communication has not reached its recipient has been received by the sender, except that any failure in transmission beyond the sender’s control shall not invalidate the effectiveness of the notice or document being served; and
  - (e) if published on the Company’s computer network, shall be deemed to have been served on the day on which the notice or document is published on the Company’s computer network to which the entitled person may have access.

The signature to any notice or document by the Company may be written, typed, printed or made electronically.”

(H) by deleting the existing Bye-laws 162 (2) in its entirety and substituting therefor the following:

“(2) Any notice or document served in accordance with Bye-law 161 shall, in respect of any Member who is deceased, bankrupt or in mental disorder, be deemed to have been duly served on his legal personal representatives or trustee of the bankrupt, whether or not the Company has notice of his status.”

By Order of the Board  
**Kan Siu Yim, Katie**  
*Company Secretary*

Hong Kong, 29 April 2004

*Principal place of business:*

4/F, Kenning Industrial Building  
19 Wang Hoi Road  
Kowloon Bay, Kowloon  
Hong Kong

*NOTES:*

1. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and, subject to the provisions of the Bye-laws of the Company, vote on his behalf. A proxy need not be a member of the Company.
2. To be valid, a form of proxy together with a power of attorney or other authority, if any, under which it is signed or a certified copy of such power or authority must be deposited at the office of the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Room 1901-5, 19th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding of the meeting or any adjournment thereof.
3. The register of members of the Company will be closed from 7 June 2004 to 14 June 2004, both days inclusive, during which period no transfer of shares of the Company will be effected. In order to qualify for the attendance at the AGM of the Company and the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited at Room 1901-5, 19th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:00 p.m. on 4 June 2004.

In relation to the election of Directors as referred to in item 3 of the notice dated 29 April 2004 convening the AGM (the “Notice”), Messrs LEE Sin Mei, Olivia and TONG Ka Wai, Dicky (whose biographical details are set out below) will retire by rotation in accordance with Bye-law 87(1). All retiring Directors, being eligible, offer themselves for re-election at the AGM.

**EXECUTIVE DIRECTOR****TONG Ka Wai, Dicky**

aged 42, is the executive director and the global sales director of the Group. He is also a director of Metzler International (USA) Inc.. Prior to joining the Group in 1995, he had more than 10 years’ experience in sales and marketing management. Save as aforesaid, Mr. Tong does not hold any directorships in any member of the Group nor does he have any relationships with any other directors, senior management or substantial shareholders or controlling shareholders of the Company. Mr. Tong holds 150,000 Shares (representing approximately 0.03% of the existing issued share capital of the Company). Other than those Shares, he does not have any interests in the securities of the Company or any of its associated corporation within the meaning of Part XV of the SFO. His emoluments under the service contract with the Group is HK\$1,040,000 per annum. In addition to the director’s fee, Mr. Tong is entitled to other discretionary bonus. The appointment is for a fixed term of five years and he is subject to retirement by rotation in accordance with the Bye-laws. The amount of his emoluments is determined by the Company with reference to prevailing market conditions. Except for being an executive Director, Mr. Tong does not hold any directorships in other listed public companies in the last three years.

**NON-EXECUTIVE DIRECTOR****LEE Sin Mei, Olivia**

aged 40, is a partner of the international law firm White & Case LLP, heading its Hong Kong and China capital markets practice and Hong Kong corporate and mergers and acquisitions practice. She has more than 13 years of legal experience in advising public and private companies, financial institutions and governments on various corporate, securities and capital markets transactions as well as mergers, acquisitions and corporate and debt restructurings. She obtained both her Bachelor of Law and Bachelor of Commerce and Business Administration degrees from the University of British Columbia, Canada. She was admitted as a barrister and a solicitor of the Supreme Court of British Columbia, Canada in 1991. She was also admitted as a solicitor of the Supreme Court of England & Wales and the High Court of Hong Kong in 1993. White & Case is the Company’s legal adviser. She used to be the Chairman of the Canadian International School of Hong Kong Limited and the chairman of the Chinese Canadian Association of Hong Kong Limited from 1998 to 2000.



She was appointed as a non-executive director in December 2000. Ms. Lee does not hold any directorships in any member of the Group nor does she have any relationships with any other directors, senior management or substantial shareholders or controlling shareholders of the Company. Ms. Lee holds 42,670 shares (representing approximately 0.0086% of the existing issued share capital of the Company). Save as aforesaid, she does not have any interests in the securities of the Company or any of its associated corporation within the meaning of Part XV of the SFO. She has an existing service contract with the Company for a term of one year commencing from January 2004 and she is entitled to a director's fee of HK\$120,000 per annum. Other than the director's fee, Ms. Lee is not entitled to any other payment or discretionary bonus. Ms. Lee is subject to retirement by rotation in accordance with the Bye-laws. The amount of her emoluments is determined by the Company with reference to prevailing market conditions. Ms. Lee was an independent non-executive director of Hon Po Group (Lobster King) Limited, a public company listed on the Stock Exchange, for the period from 30th January 2002 to 30th May 2003 (both dates inclusive). Save as aforesaid, Ms. Lee does not hold any directorships in other Hong Kong listed public companies in the last three years.