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

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

**If you have sold** all your shares in Ezcom Holdings Limited, 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.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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**EZCOM**  
BRING TECHNOLOGY TO LIFE  
**EZCOM HOLDINGS LIMITED**  
*(Incorporated in Bermuda with limited liability)*  
**(Stock Code: 312)**

**PROPOSAL FOR  
GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES,  
AMENDMENTS TO THE BYE-LAWS OF THE COMPANY,  
RE-ELECTION OF DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening an Annual General Meeting of the Company to be held at Tien Room, Pacific Place Conference Centre, Level 5, One Pacific Place, 88 Queensway, Hong Kong on 23 September 2004 at 3:30 p.m. is set out on pages 13 to 19 of this circular. If you do not intend to be present at the Annual General Meeting, please read the notice and complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible to the Company's branch registrar in Hong Kong, Abacus Share Registrars Limited, Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, but in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjourned meeting or poll (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or poll concerned should you so wish.

5 August 2004

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## DEFINITIONS

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

“AGM Notice”	the notice convening the Annual General Meeting to be held on 23 September 2004 which is set out in pages 13 to 19 of this circular
“Annual General Meeting (AGM)”	The annual general meeting of the Company to be held at Tien Room, Pacific Place Conference Centre, Level 5, One Pacific Place, 88 Queensway, Hong Kong on 23 September 2004 and any adjournment thereof
“Business Day”	a day on which the Stock Exchange is open for the trading of securities
“Bye-Laws”	the bye-laws of the Company adopted on 4 November 1992 as amended and supplemented
“Company”	Ezcom Holdings Limited, a company incorporated in Bermuda with limited liability and whose shares are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“General Mandates”	the Share Repurchase Mandate and the Share Issue Mandate approvals of which are to be sought at the AGM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Latest Practicable Date”	30 July 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
“Securities Buy Back Rules”	the relevant rules set out in the Listing Rules to regulate the repurchase by companies with primary listing of their own securities on the Stock Exchange
“Share Repurchase Mandate”	the proposed general mandate, approval of which is to be sought at the AGM, to the Directors to repurchase the Shares
“Share(s)”	share(s) of par value HK\$0.01 each in the capital of the Company

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## **DEFINITIONS**

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“Shareholder(s)”	registered holder(s) of Share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholder”	has the meaning ascribed thereto in the Listing Rules
“Takeover Code”	the Hong Kong Code on Takeovers and Mergers

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## LETTER FROM THE BOARD

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### **EZCOM HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 312)**

*Executive Directors:*

KOK Kin Hok (*Chairman*)  
LAM Bing Sum  
LIAN Song Qing

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Non-executive Directors:*

HOU Ziqiang

*Independent non-executive Directors:*

Dr YANG Shiqin  
Dr LI Jianhua  
WANG Shunian

*Head office and principal  
place of business:*

Unit 1C & 1D  
14/F., Tower 2  
Admiralty Centre  
18 Harcourt Road  
Hong Kong

5 August 2004

*To the Shareholders*

Dear Sir or Madam,

**PROPOSAL FOR  
GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES,  
AMENDMENTS TO THE BYE-LAWS OF THE COMPANY,  
RE-ELECTION OF DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

#### **INTRODUCTION**

The purpose of this circular is to provide you with information reasonably necessary to enable you to make a decision on whether to vote for or against the ordinary resolutions and special resolution to be proposed at the AGM of the Company for the purpose of considering and if thought fit, passing resolutions to approve the renewal of the general mandate granted to the Directors to issue and repurchase the Shares, the proposed amendments to the Bye-Laws and the re-election of directors who retire by rotation. The Board has confirmed that having made all reasonable enquiries, no shareholder of the Company is required to abstain from voting on any of the above mentioned proposed resolutions at the forthcoming AGM of the Company.

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## LETTER FROM THE BOARD

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### **I. GENERAL MANDATE TO REPURCHASE SHARES AND ISSUE SHARES**

At the annual general meeting of the Company held on 16 October 2003, general mandates were granted to the Directors to exercise the powers of the Company to repurchase Shares and to issue Shares. These general mandates will lapse at the conclusion of the AGM. Ordinary resolutions will therefore be proposed at the AGM to grant new general mandates to repurchase Shares and to issue Shares in the capital of the Company.

At the AGM, an ordinary resolution will be proposed to grant to the Directors a general mandate to exercise the powers of the Company to repurchase Shares. The aggregate nominal amount of Shares to be purchased pursuant to the Share Repurchase Mandate as set out in Ordinary Resolution No. 4 of the AGM Notice shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing such resolution. An explanatory statement as required under the Securities Buy Back Rules is set out in the Appendix I to this circular. The explanatory statement contains all information reasonably necessary to enable Shareholders to make an informed decision on whether to vote for or against the relevant resolution at the AGM.

Ordinary resolutions will also be proposed at the AGM to grant to the Directors a general and unconditional mandate to exercise the powers of the Company to allot, issue and deal with Shares not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date on which the resolution is passed (“Share Issue Mandate”), and to approve an extension of the Share Issue Mandate by adding to it the aggregate nominal amount of any Shares repurchased by the Company under the Share Repurchase Mandate, details of which are set out in Ordinary Resolutions No. 5 and No. 6 of the AGM Notice.

### **II. AMENDMENTS TO THE BYE-LAWS**

The Stock Exchange had on 30 January 2004 announced amendments to Appendix 3 of the Listing Rules to require articles of association or equivalent document of a listed issuer to conform with various provisions, inter alia, (i) a restriction on the voting power of a director on resolutions in relation to contracts or arrangements or proposals in which directors or his/her associate(s) has a material interest; (ii) a restriction on the voting power of a shareholder on resolutions which he/she is required to abstain from voting or restricted to voting only for or only against such resolutions under the Listing Rules; and (iii) a provision which states that the period for lodgement of notice for nomination of a director and notice of willingness to be elected from the proposed director will commence no earlier than the day after the dispatch of the notice of the shareholders’ meeting appointed for the election of the director and end no later than seven days prior to the date of such meeting. The Stock Exchange has also announced amendments to the definition of “associates” in the Listing Rules. All of these amendments to the Listing Rules came into effect on 31 March 2004. In order to bring the Bye-Laws in line with the changes brought about by the amendments to the Listing Rules, the Directors propose a special resolution at the forthcoming Annual General Meeting to seek the Shareholders’ approval of the amendments to the Bye-Laws.

An explanatory statement summarizing the more significant changes to be effected by the proposed amendments to the Bye-Laws is set out in Appendix II to this circular.

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## LETTER FROM THE BOARD

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The full text of the proposed amendments to the Bye-Laws is set out in the proposed special resolution contained in resolution number 8 of the notice of the Annual General Meeting on pages 15 to 19 of this circular.

### III. RE-ELECTION OF DIRECTORS

According to Bye-Law 87, at each annual general meeting all the Directors for the time being shall retire from office. The retiring Directors shall be eligible for re-election. Being eligible, Mr. Kok Kin Hok, Mr. Lam Bing Sum, Mr. Lian Song Qing, Mr. Hou Ziqiang, Dr. Yang Shiqin, Dr. Li Jianhua and Mr. Wang Shunian will offer themselves for re-election at the AGM. Ordinary resolutions will be proposed to re-elect each of them as directors at the AGM. Biographical details in respect of each of them are set out in Appendix III of this circular.

### IV. ANNUAL GENERAL MEETING

The notice convening the Annual General Meeting to be held at Tien Room, Pacific Place Conference Centre, Level 5, One Pacific Place, 88 Queensway, Hong Kong on 23 September 2004 at 3:30 p.m. is set out on pages 13 to 19 of this circular.

The Register of Members of the Company will be closed from 17 September 2004 to 23 September 2004, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Share Registrar, Abacus Share Registrars Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, not later than 4:00 p.m. on 16 September 2004.

According to the existing Bye-Laws 66 and 68, 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 (before or on the declaration of the result of the show of hands) demanded by:

- (i) the Chairman;
- (ii) at least three members present in person or by proxy or representative for the time being entitled to vote at the meeting;
- (iii) any member or members present in person or proxy or representative and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (iv) a member or members present in person or by proxy or representative 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 sum paid up on all the shares conferring that right.

Unless a poll is so demanded and the demand is not withdrawn, 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 not carried by a particular majority, or lost, and an entry to that effect in the

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## LETTER FROM THE BOARD

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minute book of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded for or against the resolution.

If a poll is duly demanded the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. There shall be no requirement for the Chairman to disclose the voting figures on a poll.

A poll demanded on the election of a Chairman, or on a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken in such manner (including the use of ballot or voting papers or tickets) and either forthwith or at such time (being not later than thirty (30) days after the date of the demand) and place as the Chairman directs. It shall not be necessary (unless the Chairman otherwise directs) for notice to be given of a poll not taken immediately.

No Shareholder is required to abstain from voting on the resolutions to be proposed at the AGM.

### **RECOMMENDATIONS**

The Directors consider that the granting of the general mandates to repurchase and issue Shares, the amendments to be Bye-Laws and the re-election of directors are in the interests of the Company and the Shareholders. Accordingly, the Directors recommend that all Shareholders vote in favour of the resolutions to approve the same at the AGM.

Your attention is also drawn to the additional information set out in the appendices to this circular.

Yours faithfully,  
By Order of the Board of  
**EZCOM HOLDINGS LIMITED**  
**KOK Kin Hok**  
*Chairman*



This is an explanatory statement containing all the information reasonably necessary to enable the Shareholders to make an informed decision in relation to the proposal of the Share Repurchase Mandate as required by the Securities Buy Back Rules.

## **1. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 611,467,218 fully paid-up Shares.

Subject to the passing of Ordinary Resolution No. 4 set out in the AGM Notice and on the basis that no further Shares are issued or repurchased by the Company prior to the date of the AGM, the Company will be permitted under the Share Repurchase Mandate to repurchase a maximum of 61,146,722 Shares during the period ending on the earlier of the conclusion of the next annual general meeting of the Company or the expiration of the period within which the next annual general meeting is required by law to be held or the date upon which such authority is revoked or varied by a resolution of the Shareholders in general meeting.

## **2. REASONS FOR REPURCHASES**

Although the Directors have no present intention of repurchasing any securities, they consider that the flexibility afforded by the Share Repurchase Mandate would be beneficial to the Company and its Shareholders. Trading conditions on the Stock Exchange have sometimes been volatile in recent years. At any time in the future when securities are trading at a discount to their underlying value, the ability of the Company to repurchase securities will be beneficial to those Shareholders who retain their investment in the Company since their percentage interest in the assets of the Company would increase in proportion to the number of securities repurchased by the Company and thereby resulting in an increase in net asset value 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.

## **3. FUNDING OF REPURCHASES**

In repurchasing Shares the Company may only apply funds legally available for such purpose in accordance with its memorandum of association and bye-laws, the laws of Bermuda and any other applicable laws. The Bermuda law provides that the amount of capital paid in connection with a share repurchase may only be paid out of either the capital paid up on the relevant Shares, or the funds of the Company that would otherwise be available for distribution or dividend or out of the proceeds of a new issue of Shares made for such purpose. The amount of premium payable over the par value of the shares on repurchase may only be paid out of either the funds of the Company that would otherwise be available for distribution or dividend or out of the share premium account of the Company before the Shares are repurchased. It is envisaged that the Company would derive the funds from such sources.

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 latest published audited accounts contained in the Annual Report for the period from 1 May 2003 to 31 March 2004) in the event that the Share 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 Share Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are purchased will be decided by the Directors at the relevant time having regard to the circumstances then pertaining.

#### 4. SHARE PRICES

The highest and lowest market prices for Shares recorded on the Stock Exchange during each of the 12 months preceding the Latest Practicable Date and up to the Latest Practicable Date were as follows:-

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2003</b>		
June	0.33	0.22
July	0.30	0.24
August	—*	—*
September	0.27	0.21
October	0.34	0.25
November	0.38	0.28
December	0.34	0.28
<b>2004</b>		
January	0.35	0.25
February	0.56	0.28
March	0.50	0.40
April	0.47	0.35
May	0.39	0.33
June	0.34	0.26

\* There was no trading of the Shares during the month August 2003.

#### 5. UNDERTAKING

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases under the Share Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Bermuda.

#### 6. DISCLOSURE OF INTERESTS

None of the Directors nor, to the best of their knowledge, having made all reasonable enquiries, any of their associates (as defined in the Listing Rules) has any present intention to sell any Shares to the Company under the Share Repurchase Mandate in the event that the Share Repurchase Mandate is approved by the Shareholders.

The Company has not been notified by any connected persons of the Company (as defined in the Listing Rules) that they have a present intention to sell any Shares, or that they have undertaken not to sell any Shares held by them to the Company, in the event that the Share Repurchase Mandate is approved by the Shareholders.

#### **7. EFFECT OF TAKEOVER CODE**

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, All About Investments Limited and Anglo Express Group Limited (both of them are wholly and beneficially owned by Mr. Kok Kin Hok) which held approximately 47.03% and 5.56% (in aggregate 52.59%) of the issued share capital of the Company respectively, are the only substantial Shareholders holding more than 5% of the issued share capital of the Company. In the event that the Directors exercise in full the power to repurchase Shares pursuant to the Share Repurchase Mandate, if so approved, the aggregate shareholding of All About Investments Limited and Anglo Express Group Limited in the Company would be increased to approximately 58.43% of the issued share capital of the Company as at the Latest Practicable Date. The Directors are not aware of any consequences which will arise under the Takeover Code as a result of any repurchases made under the Share Repurchase Mandate. Moreover, the Directors will not make any share repurchase on the Stock Exchange if the result of the repurchase would result in less than 25% of the issued share capital of the Company in the public hands.

#### **8. SECURITIES REPURCHASES MADE BY THE COMPANY**

The Company has not repurchased any of its Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

A summary of the purposes and effects of the proposed amendments to the bye-laws of the Company are set out as follows:

**1. BYE-LAW 1**

New definitions of “associate(s)” and “clearing house” are inserted.

**2. BYE-LAW 76**

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, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

**3. BYE-LAW 84**

Any recognized clearing house who is a member of the Company may authorise such person or persons as it thinks fit to act as its representative or representatives at any meeting of the Company or at any meeting of any class of members of the Company.

**4. BYE-LAW 88**

The minimum period during which notice may be given by a shareholder to nominate a person other than a retiring director to be elected as a director (and the same requirement applies to a notice being given by such person of his willingness to be elected) shall be at least 7 days and such period shall commence no earlier than the day after the dispatch of the notice of the relevant general meeting and end no later than 7 days prior to the date of such meeting.

**5. BYE-LAW 103**

Subject to certain exceptions, a Director shall abstain from voting at the board meeting on any contract or arrangement or proposal in which he or any of his associates has a material interest nor shall he be counted in the quorum of the relevant board meeting.

*The biograph of the Directors who will retire from office by rotation at the Annual General Meeting and being eligible, will offer themselves for re-election at the AGM, are set out below:*

**EXECUTIVE DIRECTORS**

Mr. Kok Kin Hok, aged 41, appointed as Director of the Company on 8th August 2001. Mr. Kok has 14 years' general management experience in progressive positions managing electronics/technology companies in the PRC and six years of research and development experience working for the Aerospace Industry Department. Mr. Kok graduated from the Jiao Tong University in Xian with an Engineering degree in wireless communication. Mr. Kok is also the Managing Director of China Kejian Corporation Ltd., a company listed on the Stock Exchange of Shenzhen, China.

Mr. Lam Bing Sum, aged 36, appointed as Director of the Company on 8th August 2001. Mr. Lam has ten years of experience in the sales and marketing of electronics products in the PRC and other Asia Pacific countries, including four years as the Product Manager of Samsung Electronics HK Company Limited. Mr. Lam also has three years' experience in the trading of steel products, chemical materials and medical equipment. Mr. Lam holds a MAGNA CUM LAUDE B.S. Honors degree in Management Information Systems from the University of South Alabama in the United States.

Mr. Lian Song Qing, aged 36, appointed as Director of the Company on 6th March 2002. Mr. Lian is responsible for the trade finance and investment management in the PRC of the Group and he oversees the purchasing function of the Group for components for mobile phones. Mr. Lian has been working with a number of sizeable enterprises in the PRC and Hong Kong, and has ten years experience in trading and investment management. Mr. Lian holds a MBA degree from Murdoch University of Australia, a LLB degree from Renmin University of China and also a bachelor of arts degree from Anhui Normal University.

The basis of the remuneration of Mr. Kok, Mr. Lam and Mr. Lian is set by reference to the market salary range of the respective position and responsibility. Save for the above disclosure, there is no other matters need to be brought to the attention of shareholders.

**NON-EXECUTIVE DIRECTOR**

Mr. Hou Ziqiang, aged 66, appointed as Director of the Company on 8th August 2001. Mr. Hou is the Chairman of China Kejian Corporation Ltd., a company listed on the Stock Exchange of Shenzhen, China, a position he has held for the past 8 years. Prior to that he was the Chief Secretary of the Academy of Science of China, where he spent the previous 35 years rising from a researcher specializing in electronics and acoustics to progressive management positions. Mr. Hou graduated from the Beijing University with a degree in Physics, and is an expert in digital signal processing. He is also the Chief Advisor to China Netcom.

**INDEPENDENT NON-EXECUTIVE DIRECTORS**

Dr. Li Jianhua, aged 41, appointed as Director of the Company on 8th August 2001. Dr. Li is a researcher at the DSP Centre, Acoustics Institute at the Academy of Science of China. Dr. Li has a Doctor's degree from the Acoustics Institute of the Academy of Science of China, a Master's degree from Tsinghua University and a Bachelor's degree from the University of Defense and Technology.

Dr. Yang Shiqin, aged 65, appointed as Director of the Company on 8th August 2001. Dr. Yang is the Vice Chancellor of Harbin Industrial University, a position he has held since 1985. Dr. Yang graduated from and has been working at the Harbin Industrial University since 1961.

Mr. Wang Shunian, aged 41, appointed as Director of the Company on 8th August 2001. Mr. Wang is the Assistant to the General Manager and Officer of the High Tech Project Department at the China International Engineering Consulting Corp. (CIECC). Mr. Wang has been with the CIECC since 1988, at which he was mainly involved in the investment, management, development strategy consulting and research for the mechanical, vehicle, information technology and high technology sectors. Mr. Wang obtained his Master's degree in Industrial Studies from the Beijing Institute of Technology in 1988.

No remuneration has been paid or is payable to Mr. Hou, Dr. Li, Dr. Yang and Mr. Wang by the Group. Save for the above disclosure, there is no other matters need to be brought to the attention of the shareholders.

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## NOTICE OF ANNUAL GENERAL MEETING

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### EZCOM HOLDINGS LIMITED

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 312)**

**NOTICE IS HEREBY GIVEN** that an Annual General Meeting of the Members of the Company will be held at Tien Room, Pacific Place Conference Centre, Level 5, One Pacific Place, 88 Queensway, Hong Kong on 23 September 2004 at 3:30 p.m. for the following purposes:–

1. To receive and consider the audited consolidated financial statements and the reports of the Directors and the Auditors for the period from 1 May 2003 to 31 March 2004;
2. To consider and declare a final dividend for the period from 1 May 2003 to 31 March 2004;
3. To re-elect Directors and to fix their remuneration;
4. To re-appoint Auditors and to authorise the Directors to fix their remuneration;
5. As special business, to consider and, if thought fit, pass with or without amendments the following resolution as an Ordinary Resolution:–

**“THAT:**

- (a) the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of HK\$0.01 each in the capital of the Company on The Stock Exchange of Hong Kong Limited be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the shares which may be repurchased pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this Resolution and the authority pursuant to paragraph (a) of this Resolution shall be limited accordingly; and
- (c) for the purpose 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 revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders in general meeting; and

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## NOTICE OF ANNUAL GENERAL MEETING

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- (iii) the expiration of the period within which the next Annual General Meeting of the Company is required by law or the Company's Bye-laws to be held."

6. As special business, to consider and, if thought fit, pass with or without amendments the following resolution as an Ordinary Resolution:–

**“THAT:**

- (a) subject to paragraph (c) of this Resolution, 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;
- (b) the approval in paragraph (a) of this Resolution 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 power during or 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 options or otherwise) by the Directors of the Company pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of rights of subscription under the terms of any warrants or other securities issued by the Company as at the date of this Resolution carrying a right to subscribe for or purchase shares of the Company; or (iii) 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 in force from time to time; or (iv) the exercise of the subscription rights under the share option schemes of the Company, shall not exceed 20% 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 purpose 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 revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders in general meeting; and



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## NOTICE OF ANNUAL GENERAL MEETING

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- (iii) the expiration of the period within which the next Annual General Meeting of the Company is required by law or the Company's Bye-laws to be held."

"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 whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange applicable to the Company)."

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

"**THAT** the 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 shares and to make or grant offers, agreements and options which might require the exercise of such powers 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 by the Directors of the Company pursuant to such general mandate an amount representing the aggregate nominal amount of shares in the capital of the Company which has been repurchased by the Company subsequent to the granting of such general mandate pursuant to the exercise by the Directors of the Company of the powers of the Company to repurchase such shares, provided that such amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this Resolution."

8. As special business, to consider and, if thought fit, pass the following resolution as a special resolution with or without modifications:

"**THAT** the Bye-Laws of the Company be and are hereby amended in the following manner:

**Bye-law 1**

By inserting the following new definition of "associate(s)" immediately after the definition of "Act" in existing bye-law 1:

"“associate(s)” the meaning attributed to it in the rules of the Designated Stock Exchange.”

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## NOTICE OF ANNUAL GENERAL MEETING

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By inserting the following new definition of “clearing house” immediately after the definition of “clear days” in bye-law 1:

““clearing house” a clearing house 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.”

### **Bye-law 76**

1. By re-numbering the existing bye-law 76 as bye-law 76(1);
2. By inserting the following as new bye-law 76(2):

“(2) Where the Company has knowledge that any Member is, under the rules of the Designated Stock Exchange, 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.”

### **Bye-law 84**

By deleting the existing bye-law 84 in its entirety and replacing therewith the following new bye-law 84:

- “84. (1) Any corporation which is a Member of the Company may by resolution of the Directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or any class of Members of the Company. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual Member of the Company and such corporation shall for the purposes of these Bye-laws be deemed to be present in person at any such meeting if a person so authorised is present thereat.
- (2) If a clearing house (or its nominee(s)) is a member of the Company, it may authorise such person or persons as it thinks fit to act as its representative or representatives at any meeting of the Company or at any meeting of any class of Members of the Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person so authorised pursuant to this provision shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same powers on behalf of the clearing house (or its nominee) which he represents as that clearing house (or its nominee) could exercise and as if such person was the registered holder of the shares of the Company held by the clearing house (or its nominee(s)) in respect of the number and class of shares specified in the relevant authorisation including the right to vote individually on a show of hands.

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- (3) Any reference in these Bye-laws to a duly authorised representative of a Member being a corporation shall mean a representative authorised under the provisions of this Bye-law.”

### **Bye-law 88**

By deleting the existing bye-law 88 in its entirety and replacing therewith the following new bye-law 88:

- “88. 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 Office or at the head office provided that the minimum length of the period, during which such Notice(s) is/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.”

### **Bye-law 103**

By deleting the existing bye-law 103 in its entirety and replacing therewith the following new bye-law 103:

- “103. (1) 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 associate(s) is/are materially interested, but this prohibition shall not apply to any of the following matters namely:
- (i) any contract or arrangement for the giving to such Director or his associate(s) any security or indemnity in respect of money lent by him or any of his associates or obligations incurred or undertaken by him or any of his associates at the request of or for the benefit of the Company or any of its subsidiaries;
  - (ii) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;
  - (iii) any contract or arrangement concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;

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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 or his associate(s) is/are beneficially interested in shares of that Company, provided that 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 any third company through which his interest or that of any of his associates is derived); or
  - (vi) any proposal or arrangement concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death or disability benefits scheme or other arrangement which relates both to directors, his associates and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director, or his associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates.
- (2) A company shall be deemed to be a company in which a Director and/or his associate(s) owns five (5) per cent. or more if and so long as (but only if and so long as) he and/or his associates, (either directly or indirectly) is/are the holder(s) 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 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.
- (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.

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## NOTICE OF ANNUAL GENERAL MEETING

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- (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 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.”

and that the directors be and are hereby authorised to do all such acts, deeds and things as they shall, in their absolute discretion, deem fit in order to effect the foregoing.”

By Order of the Board  
**CHEUNG Kwok Yu**  
*Secretary*

Hong Kong, 5 August 2004

*Registered office:*  
Clarendon House  
2 Church Street  
Hamilton, HM 11  
Bermuda

*Head office and principal place of business:*  
Unit 1C & 1D, 14/F  
Tower 2, Admiralty Centre  
18 Harcourt Road  
Hong Kong

*Notes:*

- (a) The Register of Members will be closed from 17 September 2004 to 23 September 2004 (both days inclusive), during which period no transfer of shares can be registered.
- (b) All transfer documents accompanied by the relevant share certificates must be lodged with the Company’s Registrars in Hong Kong, Abacus Share Registrars Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not later than 4:00 p.m. on 16 September 2004.
- (c) A Member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote on his behalf. A proxy need not be a Member of the Company.
- (d) To be valid, a form of proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, must be lodged with the Company’s Registrars in Hong Kong, Abacus Share Registrars Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time for holding the Meeting.