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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 your 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 Tysan Holdings Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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## **TYSAN HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

### **GENERAL MANDATES TO REPURCHASE SHARES**

#### **AND TO ISSUE NEW SECURITIES**

#### **AND**

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

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The notice convening the Annual General Meeting of Tysan Holdings Limited to be held at Marina Room II, 2nd Floor, The Excelsior, 281 Gloucester Road, Causeway Bay, Hong Kong, at 4:00 p.m. on Monday, 18 August 2003 is set out on pages 11 to 15 of this circular. Shareholders are advised to read the notice and to complete and return the accompanying form of proxy not less than 48 hours before the time appointed for holding the Annual General Meeting in accordance with the instructions printed thereon. Completion and return of the form of proxy will not preclude shareholders from attending and voting at the meeting if they so wish.

21 July 2003

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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 Company. 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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## EXPECTED TIMETABLE

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*2003*

1. Latest time for lodging transfer in respect of shares . . . . . 4:30 p.m., Friday, 8 August
  
2. Latest time for lodging proxy forms for the  
Annual General Meeting . . . . . 4:00 p.m., Saturday, 16 August
  
3. Register of members closed,  
both dates inclusive . . . . . From Monday, 11 August  
to Monday, 18 August
  
4. Annual General Meeting . . . . . 4:00 p.m., Monday, 18 August

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## DEFINITIONS

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

“Annual General Meeting”	means the annual general meeting of the Company for the year 2003 to be held on Monday, 18 August 2003;
“Bye-laws”	means the Bye-laws of the Company;
“Company”	means Tysan Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the securities of which are listed on the Stock Exchange;
“Directors”	means the board of directors of the Company, including the non-executive directors, and “Director” means any one of the Directors;
“Latest Practicable Date”	means 17 July 2003, the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange;
“Option”	means an option to subscribe for Shares on terms determined by the Directors pursuant to a share option scheme of the Company and for the time being subsisting;
“Option Holder”	means a person holding an Option;
“Relevant Issued Share Capital”	means the issued share capital of the Company from time to time, but excluding any shares issued upon exercise of the Options;
“Securities”	means Shares, Warrants and debentures convertible into Shares in the share capital of the Company;
“Securities Repurchase Rules”	means the provisions governing the repurchase of securities by listed companies as set out in the Listing Rules;
“SF(CH)O”	means the Securities and Futures (Clearing Houses) Ordinance of the Laws of Hong Kong now having been repealed;
“SFO”	means the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;

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## DEFINITIONS

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“Share(s)”	means share(s) of HK\$0.10 each in the share capital of the Company in issue as at the Latest Practicable Date and all and any other shares in issue from time to time and for the time being ranking pari passu therewith;
“Shareholder(s)”	means registered holder(s) of Share(s) of the Company;
“Shares Repurchase Mandate”	means the general mandate to be granted by the Shareholders to the Directors to repurchase the Shares as more particularly set out in Resolution A in paragraph 4 of the Notice of the Annual General Meeting;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“Subsidiary”	means a subsidiary of the Company within the meaning of Section 2 of the Companies Ordinance (Cap. 32) of the Laws of Hong Kong or Section 86 of The Companies Act 1981 of Bermuda (as amended), whether incorporated in Hong Kong, Bermuda or elsewhere;
“Takeover Code”	means the Hong Kong Code on Takeovers and Mergers; and
“Warrants”	means warrants with subscription rights entitling the holders thereof to subscribe in cash for Shares.



## TYSAN HOLDINGS LIMITED

*(Incorporated in Bermuda with limited liability)*

*Directors:*

CHEUNG Francis (*Chairman*)  
FUNG Chiu Chak, Victor  
*(Vice Chairman and Managing Director)*  
CHIEN David  
KWOK Jennifer  
CHIU Chin Hung  
WONG Kay  
FAN Chor Ho, Paul\*  
CHAU Cham Son\*

\* *non-executive director*

*Registered office:*

Clarendon House  
Church Street  
Hamilton HM11  
Bermuda

*Head office and principal place  
of business in Hong Kong:*

6th Floor  
Sun Hung Kai Centre,  
30 Harbour Road,  
Wanchai,  
Hong Kong

21 July 2003

*To the Shareholders, and, for information only,  
the Option Holders*

Dear Sir or Madam,

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

**1. INTRODUCTION**

At the last annual general meeting of the Company held on 28 August 2002, an ordinary resolution was passed granting a general mandate to the Directors to exercise their powers to repurchase Shares in the share capital of the Company up to 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of the resolution. A further ordinary resolution was passed authorizing the Directors to exercise the powers of the Company to issue, allot and deal with new Securities of the Company up to an amount representing 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of the resolution. Further and conditional upon the granting of the aforesaid mandates, an additional mandate was given to the Directors extending the general mandate to issue new Securities by the addition thereto of an amount representing the aggregate nominal amount of Shares repurchased under the aforesaid mandate up to 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of the resolution.

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## LETTER FROM THE BOARD OF DIRECTORS

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The aforesaid mandates will lapse at the conclusion of the forthcoming Annual General Meeting of the Company to be held on Monday, 18 August 2003.

Accordingly the Directors propose to seek your approval at the Annual General Meeting to grant to the Directors similar mandates, details of which are set out in the Notice convening the Annual General Meeting.

The purpose of this circular is to provide you with information on the proposed mandates and the proposed amendment of the Bye-laws of the Company.

### **2. GENERAL MANDATE TO REPURCHASE SHARES**

At the Annual General Meeting, an ordinary resolution will be proposed that the Directors be given a general mandate, being the Shares Repurchase Mandate, to exercise the powers of the Company during the Relevant Period (as defined in the Notice) to repurchase Shares in the issued share capital of the Company up to a maximum amount of 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the Annual General Meeting.

### **3. GENERAL MANDATE TO ISSUE NEW SECURITIES**

In addition to the above, in order to ensure flexibility and discretion to the Directors in the event that it becomes desirable to issue any additional Securities, an ordinary resolution will also be proposed at the Annual General Meeting to give to the Directors a general mandate, being the General Mandate, to issue and allot new Securities up to a maximum amount of 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the Annual General Meeting. In addition, a resolution will be proposed to extend the General Mandate by way of the Additional Mandate, by adding to it the aggregate nominal amount of Shares repurchased under the Shares Repurchase Mandate subject to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the Annual General Meeting.

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

It has been noted that the SF(CH)O has been repealed with the coming into effect of the SFO commencing from 1 April 2003. On the commencement of the SFO, a recognized clearing house under the SF(CH)O, Hong Kong Securities Clearing Company Limited, shall be deemed to have been recognized as a clearing house under the SFO.

It is therefore proposed that the definition of "Clearing House" in the Bye-laws be amended to the effect that the term "Clearing House" shall mean a recognized clearing house within the meaning of Part 1 of Schedule 1 to the SFO.

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## LETTER FROM THE BOARD OF DIRECTORS

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Further, pursuant to recent changes to the Listing Rules, and in particular, Part A of Appendix 13 thereof (concerning additional requirements in respect of companies incorporated in Bermuda), the Directors proposed to amend the Bye-laws to provide to the effect that a recognized clearing house within the meaning of Part 1 of Schedule 1 to the SFO may authorize multiple corporate representatives to attend 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 authorized, the authorization shall specify the number and class of shares in respect of which each such person is so authorized.

The proposed amendments to the Bye-laws are set out in Resolution 5 of the Notice of the Annual General Meeting accompanying this circular and the 2003 Annual Report.

### 5. ANNUAL GENERAL MEETING

At the Annual General Meeting, ordinary resolutions will be proposed to approve the Shares Repurchase Mandate, the General Mandate, the Additional Mandate and the amendments to the Bye-laws.

### 6. NOTICE OF ANNUAL GENERAL MEETING

The Notice convening the Annual General Meeting is set out on pages 11 to 15 of this circular. Shareholders are advised to read the Notice and to complete and return the accompanying form of proxy not less than 48 hours before the time appointed for holding the Annual General Meeting, in accordance with the instructions printed thereon, to the Company's principal place of business in Hong Kong at 6th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong. The lodging of a form of proxy will not preclude a Shareholder from attending the Annual General Meeting and voting in person should he so wish.

### 7. RECOMMENDATION

Your Directors consider that the Shares Repurchase Mandate, the General Mandate, the Additional Mandate and the proposed amendments to the Bye-laws are in the best interests of the Company and the Shareholders as a whole, and recommend you to vote in favour of all such resolutions being proposed at the Annual General Meeting.

Yours faithfully,  
By Order of the Board of Directors of  
**Tysan Holdings Limited**  
**Chan Kit Yan**  
*Company Secretary*



This appendix serves as an explanatory statement, as required by the Securities Repurchase Rules (hereinafter defined), to provide requisite information to you for your consideration of the Shares Repurchase Mandate.

## **1. SECURITIES REPURCHASE RULES**

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their securities on the Stock Exchange subject to certain restrictions, the most important of which are summarised below:

### **(a) Shareholders' Approval**

The Securities Repurchase Rules provide that all repurchases of securities by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of a specific approval in relation to a specific transaction or by a general mandate to the directors of the company to make such repurchases.

### **(b) Source of Funds**

Repurchases must be made out of funds which are legally available for such purpose in accordance with the company's constitutional documents and the laws of the jurisdiction in which the company is incorporated or otherwise established.

### **(c) Maximum Number of Securities to be Repurchased and Subsequent Issues**

A maximum of 10% of the issued share capital and/or outstanding warrants issued by the company may be repurchased on the Stock Exchange and a company may not, without the prior approval of the Stock Exchange, issue new securities or announce a proposed new issue of securities for a period of 30 days immediately following a securities repurchase, whether on the Stock Exchange or otherwise (other than an issue of securities pursuant to the exercise of warrants, share options or similar instruments requiring the company to issue securities, which were outstanding prior to the repurchase).

### **(d) Trading Restrictions**

All securities repurchases on the Stock Exchange in any given calendar month are limited to a maximum of 25% of the trading volume of the company's securities in the immediately preceding calendar month. The Securities Repurchase Rules also prohibit a company from making securities repurchases on the Stock Exchange if the result of the repurchase would be that less than 25% (or the prescribed minimum percentage for that company as determined by the Stock Exchange at the time of listing) of its listed securities would be in public hands. A company shall not purchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

(e) **Status of Repurchased Securities**

The Securities Repurchase Rules require the listing of all repurchased securities to be automatically cancelled upon repurchase and the certificates for those securities be cancelled and destroyed. Under Bermuda law all repurchased shares shall be treated as cancelled.

(f) **Suspension of Repurchases**

The Securities Repurchase Rules require any securities repurchase programme to be suspended after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information is made publicly available. In particular, during the period of one month immediately preceding either the preliminary announcement of the company's annual results or the publication of the company's interim report, the company (other than a company listed pursuant to the provisions of Chapter 21 of the Listing Rules) may not purchase securities on the Stock Exchange, unless the circumstances are exceptional. In addition, the Stock Exchange reserves the right to prohibit a securities repurchase programme on the Stock Exchange if a company breaches the Listing Rules.

(g) **Reporting Requirements**

Under the Securities Repurchase Rules, securities repurchases on the Stock Exchange or otherwise must be reported to the Stock Exchange not later than 9:30 a.m. on the following business day. In addition, the company's annual report is required to disclose information regarding securities repurchases made during the year, including the number of securities repurchased each month, the purchase price per security and the aggregate price paid. A company shall procure that any broker appointed by the company to effect the purchase of securities shall disclose to the Stock Exchange such information with respect to purchases made on behalf of the company as the Stock Exchange may request.

(h) **Connected Parties**

The Securities Repurchase Rules prohibit a company from knowingly purchasing securities on the Stock Exchange from a "**connected person**", that is, a director, chief executive or substantial shareholder of the company or any of its subsidiaries or their associates (as defined in the Listing Rules) and a connected person is prohibited from knowingly selling his/her securities to the listed company.

## 2. SHARE CAPITAL

As at the Latest Practicable Date, the aggregate nominal value of the issued share capital of the Company amounted to HK\$73,186,590.30 comprising 731,865,903 Shares. Subject to the passing of the Ordinary Resolution A as set out in paragraph 4 of the Notice of Annual General Meeting and on the basis of such figures and that no further Shares are issued or repurchased prior to the Annual General Meeting, the Company would be allowed under the Shares Repurchase Mandate to repurchase a maximum of 73,186,590 Shares. The aggregate nominal value of Shares which the Company is authorized to repurchase shall not exceed 10% of the aggregate nominal value of the share capital of the Company in issue at the date of the relevant resolution.

### 3. REASONS FOR REPURCHASE

The Directors believe that the Shares Repurchase Mandate affords the Company the flexibility and ability in pursuing the best interests for the Company and its Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, be beneficial to the Shareholders by enhancing the net assets and/or earnings per Share and will only be made when the Directors believe that such a purchase will benefit the Company and its Shareholders.

### 4. FUNDING OF REPURCHASE

In repurchasing Shares of the Company, the Company may only apply funds legally available for such purpose in accordance with its Memorandum of Association and Bye-Laws and the applicable laws of Bermuda and the Listing Rules.

The Directors propose that such Shares repurchases, if and when to be effected, would be appropriately financed by the Company's internal resources and/or available banking facilities, but note that there might be an adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the annual report of the Company for the year ended 31 March 2003) in the event that the Shares Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period. Accordingly, the Directors only propose to exercise the Shares Repurchase Mandate during the proposed repurchase period when and to such an extent that the Directors determine, taking into account all prevailing relevant factors, to ensure that such repurchases and the extent thereof are in the best interest of the Company.

### 5. MARKET PRICES

The highest and lowest closing prices at which the Shares have traded on the Stock Exchange during each of the previous twelve months were as follows:

	Shares	
	Highest HK\$	Lowest HK\$
July 2002	0.182	0.152
August 2002	0.158	0.151
September 2002	0.156	0.150
October 2002	0.158	0.148
November 2002	0.170	0.151
December 2002	0.162	0.153
January 2003	0.200	0.150
February 2003	0.180	0.145
March 2003	0.155	0.130
April 2003	0.153	0.120
May 2003	0.163	0.148
June 2003	0.180	0.130

## 6. UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases of Shares pursuant to the Ordinary Resolution A as set out in paragraph 4 of the Notice of the Annual General Meeting in accordance with the Listing Rules and the applicable laws of Bermuda.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their associates, have any present intention to sell any Shares to the Company under the Shares Repurchase Mandate if such mandate is approved by the Shareholders.

No other connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, in the event that the Shares Repurchase Mandate is approved by the Shareholders.

## 7. THE TAKEOVER CODE

If a Shareholder's proportionate interest in the voting rights of the Company increases on exercise of the powers to repurchase Shares pursuant to the Shares Repurchase Mandate, such an increase will be treated as an acquisition for the purposes of the Takeover 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 Takeover Code.

As at the Latest Practicable Date, the group comprising of Mr. Henry Lai, Mr. Francis Cheung, Power Link Investments Limited and their family members and associates (the "**Power Link Group**") was collectively interested in 284,489,465 Shares, representing approximately 38.87% of the Shares issued by the Company. If the proposed Shares Repurchase Mandate were to be exercised in full at any time during the proposed repurchase period, the holdings of the Power Link Group in the Company would increase by more than 2% to 43.19% and, therefore, the Power Link Group will be required under the Takeover Code to make an offer for all the issued Shares of the Company. The Directors have no present intention to exercise the Shares Repurchase Mandate to the extent that would increase the proportionate interest in the Company of the Power Link Group by more than 2%. Save as aforesaid, the Directors are not otherwise aware of any consequence which may arise under the Takeover Code as a result of any repurchase that would be made under the Shares Repurchase Mandate.

## 8. SHARES REPURCHASE MADE BY THE COMPANY

The Company has not purchased any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the date of this document.

The Directors have no present intention to repurchase any Shares pursuant to the Shares Repurchase Mandate.

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# NOTICE OF ANNUAL GENERAL MEETING

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## TYSAN HOLDINGS LIMITED

*(Incorporated in Bermuda with limited liability)*

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of the Company will be held at Marina Room II, 2nd Floor, The Excelsior, 281 Gloucester Road, Causeway Bay, Hong Kong at 4:00 p.m. on Monday, 18 August 2003 for the following purposes:

1. To receive and consider the Audited Financial Statements and the Reports of the Directors and Auditors for the year ended 31 March 2003.
2. To re-elect Mr. David Chien, Mr. Chiu Chin Hung and Mr. Wong Kay as Directors and to authorize the Board of Directors to fix the remuneration of the Directors.
3. To re-appoint Messrs. Ernst & Young as Auditors for the ensuing year and to authorize the Directors to fix their remuneration.
4. To consider and, if thought fit, pass with or without modification, the following proposed resolutions as Ordinary Resolutions by way of special business:

### ORDINARY RESOLUTIONS

A. **“THAT**

- (1) subject to paragraph (2) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase fully paid up issued shares of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which shares of the Company may be listed and recognized by the Stock Exchange and the Securities and Futures Commission of Hong Kong for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange applicable to the Company, as amended from time to time, be and is hereby generally and unconditionally approved;
- (2) the amount of the shares of the Company which the Company is authorized to repurchase pursuant to the approval in paragraph (1) above shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this Resolution; and

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## NOTICE OF ANNUAL GENERAL MEETING

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- (3) for the purposes of this Resolution:

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

- (a) the conclusion of the next annual general meeting of the Company;
- (b) 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; or
- (c) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.”

**B. “THAT**

- (1) subject to paragraph (3) below, 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, grant and deal with additional shares in the capital of the Company, to allot, issue, grant and deal with other securities of the Company, including warrants and debentures convertible into shares of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power, be and is hereby generally and unconditionally approved;
- (2) the approval in paragraph (1) above shall be in addition to (and shall not in any way prohibit or limit) any other authority or power of or given to the Directors of the Company, and shall authorize the Directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such powers after the end of the Relevant Period;
- (3) 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 or authority in paragraph (1) above, otherwise than pursuant to (a) a Rights Issue (as hereinafter defined); (b) an issue of shares upon the exercise of the subscription rights attaching to any warrant of the Company; (c) an issue of shares in lieu of the whole or part of a dividend on shares of the Company pursuant to the Bye-laws of the Company from time to time or any securities which are convertible into shares of the Company; or (d) an issue of shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to Directors or employees of the Company and/or any of its subsidiaries of shares or rights of the Company, shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this Resolution, and the said approval shall be limited accordingly; and

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## NOTICE OF ANNUAL GENERAL MEETING

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(4) for the purpose of this Resolution:

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

- (a) the conclusion of the next annual general meeting of the Company;
- (b) 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
- (c) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company to the holders of shares of the Company 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 as at that date (subject to such exclusions 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 any relevant jurisdiction, or the requirements of any recognized regulatory body or any stock exchange, in any territory outside Hong Kong applicable to the Company).”

- C. “**THAT** subject to the passing of Ordinary Resolutions A and B set out in paragraph 4 of the notice convening this meeting, the general mandate to the Directors of the Company to allot, issue, grant and deal with additional securities pursuant to Resolution B set out in paragraph 4 of the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of shares of the Company repurchased by the Company pursuant to the authority granted under Resolution A set out in paragraph 4 of the notice convening this meeting, provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company at the date of passing the said Resolution A as set out in paragraph 4 of the notice convening this meeting.”

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## NOTICE OF ANNUAL GENERAL MEETING

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5. To consider and, if thought fit, pass the following proposed resolution as a Special Resolution by way of special business:

### SPECIAL RESOLUTION

“**THAT** the Bye-laws of the Company be and is hereby amended in the following manner:

- (1) By adding the following definition immediately after the definition of “clear days” in Bye-law 1 of the Bye-laws:

“Clearing House” shall mean a recognized clearing house within the meaning of Part 1 of Schedule 1 to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);

- (2) The following article be added to the Bye-laws immediately after Bye-law 84, and be numbered as Bye-law 84A:

“If a Clearing House is a member of the Company, it may authorize 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 authorized, the authorization shall specify the number and class of shares in respect of which each such person is so authorized. A person authorized pursuant to this provision shall 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 if it were an individual shareholder of the Company.”

6. To transact any other business.

By Order of the Board  
**Chan Kit Yan**  
*Company Secretary*

Hong Kong, 21 July 2003

#### Notes:

1. Any member entitled to attend and vote at the meeting is entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a member of the Company.
2. To be valid, a form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the Company’s principal place of business in Hong Kong at 6th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting.



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## NOTICE OF ANNUAL GENERAL MEETING

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3. With respect to Resolutions 4A and 4C (being Resolutions A and C set out in paragraph 4 of the notice), approval is being sought from members for general mandates to be given to the Directors to repurchase shares and to issue further shares not exceeding the aggregate number of securities so repurchased. In accordance with the Rules Governing the Listing of Securities on the Stock Exchange and the Hong Kong Codes on Takeovers and Mergers and Share Repurchases, a letter setting out the terms and conditions upon which the power to repurchase securities would be exercised accompanies this notice and is contained in this circular.
4. With respect to the matters set out in Resolution 4B (being Resolution B in paragraph 4 of the notice), a general mandate is being sought from members to authorize the allotment and issue of securities under the Rules Governing the Listing of Securities on the Stock Exchange in order to provide flexibility to the Directors should it become desirable for the Company to exercise such powers. The Directors have no immediate plans to issue any new share or other securities under the general mandate.
5. With respect to the matters set out in Resolution 5 (being the proposed Special Resolution set out in paragraph 5 of the notice), approval is being sought to revise the definition of “Clearing House” (because the Securities and Futures (Clearing Houses) Ordinance has been repealed with the coming into effect of the Securities and Futures Ordinance, Chapter 571, from 1 April 2003) and to allow a Clearing House to appoint multiple corporate representatives to attend and vote at shareholders’ meetings of the Company.
6. The register of members will be closed from 11 August 2003 to 18 August 2003 (both dates inclusive), during which period no transfer of shares of the Company will be registered. All transfers and relevant share certificates must be lodged with the Company’s Hong Kong branch share registrars, Tengis Limited, at Ground Floor, BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, by no later than 4:30 p.m. on 8 August 2003.