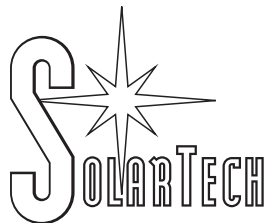


**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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

If you have sold or transferred all your shares in Solartech International Holdings Limited, you should at once hand this circular and the form of proxy accompanying with the Annual Report 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.

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.



**SOLARTECH INTERNATIONAL HOLDINGS LIMITED**

**榮盛科技國際控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1166)**

**PROPOSALS FOR GENERAL MANDATES  
TO REPURCHASE SHARES AND ISSUE NEW SHARES,  
AMENDMENTS TO BYE-LAWS,  
RE-ELECTION OF RETIRING DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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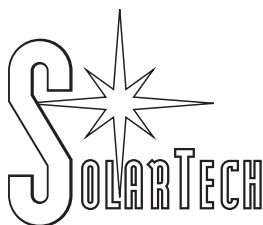
The notice convening the Annual General Meeting of Solartech International Holdings Limited (the "Company") to be held at 2nd Floor, Begonia Room, Regal Kaitak Hotel, 30-38 Sa Po Road, Kowloon City, Kowloon, Hong Kong on Friday, 10th September, 2004 at 10:00 a.m. at which the above proposals will be considered is set out in Appendix II to this circular.

A form of proxy for the Annual General Meeting is also enclosed with this circular. Whether or not you are able to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the head office and principal place of business of the Company in Hong Kong at No.7, 2nd Floor, Kingsford Industrial Centre, 13 Wang Hoi Road, Kowloon Bay, Kowloon, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting if you so wish.

\* For identification purposes only

30th July, 2004

LETTER FROM THE BOARD



**SOLARTECH INTERNATIONAL HOLDINGS LIMITED**

**榮盛科技國際控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1166)**

*Executive directors:*

CHAU Lai Him (*Chairman and Managing Director*)

ZHOU Jin Hua (*Deputy Chairman*)

LAU Man Tak

LIU Jin Rong

*Registered office:*

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

*Independent non-executive directors:*

CHUNG Kam Kwong

LO Kao Cheng

LO Wai Ming

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

No. 7, 2nd Floor

Kingsford Industrial Centre

13 Wang Hoi Road

Kowloon Bay

Kowloon

Hong Kong

30th July, 2004

*To the Shareholders*

Dear Sir/Madam,

**PROPOSALS FOR GENERAL MANDATES  
TO REPURCHASE SHARES AND ISSUE NEW SHARES,  
AMENDMENTS TO BYE-LAWS,  
RE-ELECTION OF RETIRING DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the 2004 Annual General Meeting of the Company to be held on 10th September, 2004 (the "AGM"), as required by the relevant rules set out in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). These include (i) ordinary resolutions relating to the granting to the

\* For identification purposes only

## LETTER FROM THE BOARD

directors of the Company (the “Directors”) general mandates for the repurchase of the Company’s ordinary shares of HK\$0.01 each (the “Shares”) and the issue of its Shares; (ii) special resolution relating to the amendments to the Bye-laws of the Company (the “Bye-laws”); and (iii) ordinary resolution relating to the re-election of the retiring directors.

### GENERAL MANDATE TO REPURCHASE SHARES

At the AGM, an ordinary resolution will be proposed that the Directors be granted a general and unconditional mandate to exercise all powers of the Company to repurchase on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the Shares of the Company may be listed, Shares up to a maximum of 10 per cent. of the issued share capital of the Company as at the date of passing of the relevant resolution (the “Repurchase Mandate”).

### GENERAL MANDATE TO ISSUE SHARES

An ordinary resolution will also be proposed that the Directors be granted a general and unconditional mandate to allot, issue and deal with Shares up to a maximum of 20 per cent. of the issued share capital of the Company as at the date of passing of the relevant resolution (the “Issue Mandate”).

In addition, an ordinary resolution will be proposed at the AGM adding any Shares repurchased under the Repurchase Mandate to the Issue Mandate. The Repurchase Mandate and the Issue Mandate would continue in force until the conclusion of the next annual general meeting of the Company unless it is renewed at such meeting or until revoked or varied by ordinary resolutions of the shareholders of the Company (the “Shareholders”) in a general meeting held prior to the next annual general meeting of the Company.

An explanatory statement required by the Listing Rules to be sent to the Shareholders in connection with the proposed general mandate to repurchase Shares is set out in Appendix I to this circular. The explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolutions at the AGM.

### AMENDMENTS TO BYE-LAWS

Certain amendments to the Listing Rules and applicable regulations have been effected during these years. To bring the constitutions of the Company up to date, the Directors propose to amend the Bye-laws to incorporate, inter alia, the following:–

- (1) new definitions of “associate” and “clearing house”;
- (2) where any Shareholder 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 Shareholder in contravention of such requirement or restriction shall not be counted;

## LETTER FROM THE BOARD

- (3) the appointment of multiple corporate representatives by the clearing house including the right to vote individually on a show of hands;
- (4) the minimum 7 days' period for Shareholders to lodge notice to propose election of a Director shall commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than 7 days before the date of such meeting;
- (5) subject to such exceptions as permitted by the Listing Rules, a Director shall not vote on any board resolution approving any contract or arrangement or any other proposal in which he or any of his associates has a material interest nor shall he be counted in the quorum present at the meeting;
- (6) empowering the Company to distribute summary financial report to Shareholders;
- (7) empowering the Company to send or otherwise make available notice or document to the Shareholders by electronic means; and
- (8) empowering the Company to serve notice or document in English language only or Chinese language only or both.

The proposed amendments to the Bye-laws are subject to the approval of the Shareholders by way of a special resolution to be proposed at the AGM. Shareholders should refer to the special resolution as set out in the notice of the AGM as Appendix II to this circular for details of the proposed amendments to the Bye-laws.

### RE-ELECTION OF RETIRING DIRECTORS

In relation to Resolution Number 3 as set out in the notice of the AGM, Mr. Zhou Jin Hua and Mr. Lo Kao Cheng will retire from office as Directors at the AGM and being eligible, will offer themselves for re-election pursuant to Bye-law 87 of the Bye-laws.

Details of the above Directors, which are required to be disclosed pursuant to the Listing Rules, are set out in Appendix III to this circular.

### NOTICE OF ANNUAL GENERAL MEETING

Notice of the AGM is set out in Appendix II to this circular. A proxy form for appointing proxy is despatched with this circular and published on the website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)). Whether or not you intend to attend the AGM, you are requested to complete the proxy form and return it to the head office and principal place of business of the Company in Hong Kong at No.7, 2nd Floor, Kingsford Industrial Centre, 13 Wang Hoi Road, Kowloon Bay, Kowloon, Hong Kong, not less than 48 hours before the time appointed for the holding of the AGM or the adjourned meeting. Completion and return of a proxy form will not preclude you from attending and voting at the meeting and at any adjournment thereof if you so wish.

## LETTER FROM THE BOARD

### PROCEDURE FOR DEMANDING A POLL

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

- (a) the chairman of such meeting; or
- (b) at least three Members present in person (or in the case of a Member being a corporation by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (c) a Member or Members present in person (or in the case of a Member being a corporation by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all Members having the right to vote at the meeting; or
- (d) a Member or Members present in person (or in the case of a Member being a corporation by its duly authorised representative) 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 shares conferring that right.

### RECOMMENDATION

The Directors consider that the proposed granting of the general mandates to the Directors to repurchase Shares and to issue Shares, the amendments to the Bye-laws and the re-election of the retiring Director are in the best interests of the Company and the Shareholders. The Directors therefore recommend the Shareholders to vote in favour of the relevant resolutions as set out in the notice of the AGM.

Yours faithfully,  
For and on behalf of the Board  
**Chau Lai Him**  
*Chairman*

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide certain information to you for your consideration of the Repurchase Mandate.

### **1. SHARE CAPITAL**

As at 27th July, 2004, being the latest practicable date prior to the printing of this circular (the "Latest Practicable Date"), there was a total of 326,974,362 Shares in issue.

Subject to the passing of the resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the AGM, the Company will be allowed to repurchase a maximum of 32,697,436 Shares.

### **2. REASONS FOR REPURCHASES**

The Directors believe that it is in the best interests of the Company and the Shareholders to seek a general authority from the Shareholders to enable the Company to repurchase its Shares on the Stock Exchange. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value and/or earnings per share of the Company and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

### **3. FUNDING OF REPURCHASES**

Repurchases made pursuant to the Repurchase Mandate would be funded out of funds legally available for the purpose in accordance with the Company's Bye-laws and the applicable laws of Bermuda. Under the laws of Bermuda, the repurchased shares will be cancelled and the Company's issued share capital will be reduced by the nominal value of those repurchased shares accordingly. However, the aggregate amount of the Company's authorised capital will not be reduced.

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the Annual Report for the year ended 31st March, 2004) in the event that the Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse impact on the working capital requirements of the Company or the gearing levels of the Company.

#### 4. SHARE PRICES

The following table shows the highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the 12 months preceding the Latest Practicable Date:–

Month	Share Prices Per Share	
	Highest HK\$	Lowest HK\$
<b>2003</b>		
July	0.370	0.240
August	0.580	0.400
September	0.720	0.430
October	0.690	0.550
November	0.640	0.570
December	0.590	0.410
<b>2004</b>		
January	0.590	0.430
February	0.590	0.530
March	0.540	0.450
April	0.510	0.320
May	0.350	0.255
June	0.320	0.260
July 1 to July 27 (Latest Practicable Date)	0.355	0.270

#### 5. GENERAL

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

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

The Company has not been notified by any connected person (as defined in the Listing Rules) that such a person has a present intention to sell, or has undertaken not to sell, any Shares to the Company, if the Repurchase Mandate is approved by the Shareholders.

If, as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Hong Kong Code on Takeovers and Mergers (the "Code"). Accordingly, a Shareholder or a group of Shareholders acting in concert, depending on

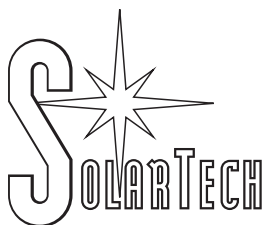
the level of increase of the Shareholders' interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Code.

As at the Latest Practicable Date, the substantial Shareholders together with their respective associates were beneficially interested in 55,752,000 Shares, representing approximately 17.05% of the issued share capital of the Company. In the event that the Directors exercised in full the power to repurchase Shares in accordance with the terms of the Repurchase Mandate and assuming no further Shares are issued by the Company, the interests of the substantial Shareholders together with their respective associates in the Company would be increased to approximately 18.95% of the issued share capital of the Company. Such an increase will not trigger any mandatory general offer obligations under the Code.

Save as disclosed above, the Directors are currently not aware of any consequences which will arise under the Code as a result of any purchase made under the Repurchase Mandate.

No Shares had been repurchased by the Company, whether on the Stock Exchange or otherwise, in the last six months preceding the date of this circular.





**SOLARTECH INTERNATIONAL HOLDINGS LIMITED**

**榮盛科技國際控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1166)**

**NOTICE OF 2004 ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the 2004 Annual General Meeting (the “Meeting”) of Solartech International Holdings Limited (the “Company”) will be held at 2nd Floor, Begonia Room, Regal Kaitak Hotel, 30-38 Sa Po Road, Kowloon City, Kowloon, Hong Kong on Friday, 10th September, 2004 at 10:00 a.m. for the following purposes:–

1. To consider and adopt the audited financial statements and the reports of the directors and auditors for the year ended 31st March, 2004.
2. To re-elect the retiring directors and to authorise the board of directors to fix the directors’ remuneration.
3. To re-appoint auditors and to authorise the board of directors to fix their remuneration.

**As special business**, to consider and if thought fit, pass with or without amendments, the following resolutions as Ordinary Resolutions:–

4. A. “THAT:
  - (a) subject to paragraph (c) of this Resolution, the exercise by the board of directors of the Company (“Directors”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.01 each in the capital of the Company (“Shares”) be and is hereby generally and unconditionally approved;
  - (b) the approval in paragraph (a) of this Resolution shall authorise the directors during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such powers after the expiry 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

\* For identification purposes only

option or otherwise) and issued by the directors pursuant to the approval granted in paragraph (a) of this Resolution, otherwise than pursuant to:

- (1) a Rights Issue (as hereinafter defined);
- (2) an issue of shares pursuant to the exercise of the rights of subscription or conversion attaching to any warrants issued by the Company or any securities which are convertible into Shares;
- (3) an issue of shares as scrip dividends 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;
- (4) an issue of shares by the exercise of options granted under the share option scheme 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 the passing of this Resolution, and the approval granted in paragraph (a) of this Resolution shall be limited accordingly; and

- (d) subject to the passing of each of the paragraphs (a), (b) and (c) of this Resolution, any prior approvals of the kind referred to in paragraphs (a), (b) and (c) of this Resolution which have been granted to the Directors and which are still in effect be and are hereby revoked;
- (e) 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 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 laws to be held; or
- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the directors to the shareholders 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 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 recognised regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company)."

B. "THAT

- (a) subject to paragraph (b) of this Resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase Shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") or on any exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose ("Recognised Stock Exchange"), subject to 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 or those of any other Recognised Stock Exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares of the Company which the Company is authorised to repurchase pursuant to the approval granted in paragraph (a) of this Resolution shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this Resolution, and the approval granted under paragraph (a) of this Resolution shall be limited accordingly; and
- (c) subject to the passing of each of the paragraphs (a) and (b) of this Resolution, any prior approvals of the kind referred to in paragraphs (a) and (b) of this Resolution which have been granted to the Directors and which are still in effect be and are hereby revoked; 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 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 laws to be held; or
  - (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting."

- C. “THAT conditional upon the passing of the Resolutions set out in paragraphs A and B of item 4 in the notice convening this meeting, the general mandate granted to the Directors to exercise the powers of the Company to allot, issue and otherwise deal with Shares pursuant to Resolution set out in paragraph A of item 4 above be and is hereby extended by the addition to the aggregate nominal amount of share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandate, an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to Resolution set out in paragraph B of item 4 above provided that such amount shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this Resolution.”

**As special business**, to consider and if thought fit, pass, with or without amendments, the following resolution as a Special Resolution:–

5. “THAT the Bye-laws of the Company be and are hereby amended in the following manner:–
- (a) By adding the following new definition, in appropriate alphabetical order, in Bye-law 1:–
- ‘ “**associate**”                      the meaning ascribed to it in the rules of the Designated Stock Exchange.’;
- (b) By deleting the existing definition of “clearing house” in Bye-law 1 in its entirety and substituting therefor the following new definition of “clearing house”:–
- ‘ “**clearing house**”                the meaning ascribed to it in Section 37 of the Securities and Futures Ordinance of Hong Kong or a clearing house or authorised shares depository recognised by the laws of the jurisdiction in which the shares of the Company are listed or quoted on a stock exchange in such jurisdiction.’;
- (c) By adding the following after the words “in a visible form” in Bye-law 2.(e):–
- ’, and including where the representation takes the form of electronic display, provided that both the mode of service of the relevant document or notice and the Member’s election comply with all applicable Statutes, rules and regulations’;

## APPENDIX II NOTICE OF 2004 ANNUAL GENERAL MEETING

- (d) By replacing the full stop appearing at the end of Bye-law 2.(j) with a semi-colon, inserting the word 'and' immediately after the semi-colon and adding the following new Bye-law 2.(k):-

'2. (k) references to a document being executed include references to it being executed under hand or under seal or by electronic signature or by any other method and references to a notice or document include a notice or document recorded or stored in any digital, electronic, electrical, magnetic or other retrievable form or medium and information in visible form whether having physical substance or not.'

- (e) By adding the following at the end of Bye-law 9:-

'Where the Company purchases for redemption a redeemable share, purchases not made through the market or by tender shall be limited to a maximum price as may from time to time be determined by the Company in general meeting, either generally or with regard to specific purchases. If purchases are by tender, tenders shall be available to all Members alike.'

- (f) By deleting the words "and these Bye-laws" in Bye-law 12.(1) and substituting therefor the following:-

', these Bye-laws, any direction that may be given by the Company in general meeting'

- (g) By inserting the following after the words "Designated Stock Exchange" in Bye-law 44:-

'or by any means in such manner as may be accepted by the Designated Stock Exchange'

- (h) By inserting the following after the words "approved by the Board" in Bye-law 46:-

'or in a form prescribed by the Designated Stock Exchange';

- (i) By inserting the following after the words "Designated Stock Exchange" in Bye-law 51:-

'or by any means in such manner as may be accepted by the Designated Stock Exchange';

- (j) By deleting the words "Unless a poll is duly demanded and the demand is" in Bye-law 67 and substituting therefor the following:-

'Unless a poll is so required or duly demanded and, in the later case';

## APPENDIX II NOTICE OF 2004 ANNUAL GENERAL MEETING

- (k) By inserting the words 'required or' before the words "duly demanded" in the first line and the word "demanded" in the second line in Bye-law 68;
- (l) By deleting the word "The" at the beginning and substituting therefor the words 'The requirement or' and adding the words 'required or' before the word "demanded" in the second line in Bye-law 70.
- (m) By deleting the full stop and substituting therefor a colon at the end of Bye-law 77 and adding the following new paragraph after the colon:-

'Provided that, 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 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.'

- (n) By deleting the existing Bye-law 84.(2) in its entirety and substituting therefor the following new Bye-law 84.(2):-

'84. (2) Where a Member is a clearing house (or its nominee(s) and, in each case, being a corporation), it may authorise such persons as it thinks fit to act as its representatives at any meeting of the Company or at any meeting of any class of Members provided that the authorisation shall specify the number and class of shares in respect of which each such representative is so authorised. Each person so authorised under the provisions of this Bye-law shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) 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.'

- (o) By deleting the words "in accordance with Bye-law 87" in Bye-law 86.(1) and substituting therefor the words 'at the annual general meeting in accordance with Bye-law 87 or at any special general meeting';

- (p) By deleting the existing Bye-law 88 in its entirety and substituting therefor the following new Bye-law 88:-

'88. No person other than a retiring Director shall, unless recommended by the Board, be eligible for election to the office of Director at any general meeting unless Notice in writing by a Member of the Company (not being the person to be proposed) entitled to attend and vote at the meeting for which such Notice is given of his intention to propose such person for election, and also Notice in writing signed by the person to

## APPENDIX II NOTICE OF 2004 ANNUAL GENERAL MEETING

be proposed of his willingness to be elected shall have been given to the Secretary during a period commencing no earlier than the day after the despatch of the Notice of the general meeting appointed for such election and ending no later than seven (7) days prior to the date of such meeting, provided that the minimum length of such period shall be at least seven (7) days.’;

(q) By deleting the words “whereupon the Board resolves to accept such resignation” in Bye-law 89.(1);

(r) By deleting the existing Bye-law 103 in its entirety and substituting therefor 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 in respect of any contract or arrangement or any other 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 the Director or his associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries; or

(ii) 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 and whether alone or jointly under a guarantee or indemnity or by the giving of security;

(b) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;

(c) any proposal 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 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 of any class of such company (or of any third company through which his interest or that of his associates is derived) or of the voting rights;

(d) any proposal or arrangement concerning the benefit of employees of the Company 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 his associate(s) 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 his associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and

(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 by virtue only of his/their interest in shares or debentures or other securities of the Company.

(2) A company shall be deemed to be a company in which a Director and his associate(s) in aggregate own five (5) per cent. or more of its issued share capital if and so long as (but only if and so long as) he and/or his associate(s) (either directly or indirectly) is/are 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. 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 his associate(s) has/have 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 his associate(s) hold in aggregate five (5) per cent. or more of its issued share capital 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 associate(s) 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 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 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 as known to such Chairman has not been fairly disclosed to the Board.’;

- (s) By deleting the existing Bye-law 143 in its entirety and substituting therefor the following new Bye-law 143:–

‘143. Any dividend, interest or other sum payable in cash to the holder of shares may be paid by direct debit, bank transfer or other automated system of bank transfer, or by cheque or warrant sent through the post addressed to the holder at his registered address or, in the case of joint holders, addressed to the holder whose name stands first in the Register in respect of the shares at his address as appearing in the Register or addressed to such person and at such address as the holder or joint holders may in writing direct. Every such payment shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the Register in respect of such shares, and shall be sent at his or their risk and such payment shall constitute a good discharge to the Company notwithstanding that it may subsequently appear that the same has been stolen or that any endorsement thereon has been forged. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by such joint holders.’;

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- (t) By re-numbering the existing Bye-law 153 as Bye-law 153.(1) and inserting the following new Bye-laws 153.(2) and 153.(3):-

'153. (2) To the extent permitted by and subject to due compliance with these Bye-laws, all applicable Statutes, rules and regulations, including, without limitation, the rules of the Designated Stock Exchange, and to obtaining all necessary consents, if any, required thereunder, the requirements of Bye-law 153.(1) shall be deemed satisfied in relation to any person by sending to such person in any manner not prohibited by the Statutes, a summary financial report, which shall be in the form and containing the information required by these Bye-laws, applicable laws and regulations, provided that such person may, if he so requires by notice in writing served on the Company, demand that in addition to the summary financial report, a complete printed copy of the Company's annual accounts together with the Directors' report and the Auditor's report thereon be sent to him.

- (3) The requirement to send to a person referred to in Bye-law 153.(1) the documents referred to in that Bye-law or a summary financial report in accordance with Bye-law 153.(2) shall be deemed satisfied where, in accordance with these Bye-laws, all applicable Statutes, rules and regulations, including, without limitation, the rules of the Designated Stock Exchange, the Company publishes copies of the documents referred to in Bye-law 153.(1) and, if applicable, a summary financial report complying with Bye-law 153.(2), on the Company's computer network or website or in any other permitted manner (including by sending any form of electronic communication), and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company's obligation to send to him a copy of such documents.';

- (u) By deleting the existing Bye-law 154.(2) in its entirety and substituting therefor the following new Bye-law 154.(2):-

'154. (2) Subject to Section 89 of the Act, a person, other than an incumbent Auditor, shall not be capable of being appointed Auditor at an annual general meeting unless notice in writing of an intention to nominate that person to the office of Auditor has been given not less than twenty-one (21) days before the annual general meeting and furthermore, the Company shall send a copy of any such notice to the incumbent Auditor.';

- (v) By deleting the words "shall as soon as practicable convene a special general meeting to fill the vacancy" in Bye-law 157 and substituting therefor the words 'may fill the vacancy in the office of Auditor and determine the remuneration of the Auditor so appointed';

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- (w) By deleting the existing Bye-laws 160 and 161 in their entirety and substituting therefor the following new Bye-laws 160 and 161:–

‘160. Any Notice or document (including any “corporate communication” within the meaning ascribed thereto under the rules of the Designated Stock Exchange), whether or not, to be given or issued under these Bye-laws from the Company to a Member shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or communication and any such Notice and document may be served or delivered by the Company on or to any Member either personally or by sending it through the post in a prepaid envelope addressed to such Member at his registered address as appearing in the Register or at any other address supplied by him to the Company for the purpose or, as the case may be, by transmitting it to any such address or transmitting it to any telex or facsimile transmission number or electronic number or address or website supplied by him to the Company for the giving of Notice to him or which the person transmitting the notice reasonably and bona fide believes at the relevant time will result in the Notice being duly received by the Member or may also be served by advertisement in appointed newspapers (as defined in the Act) or in newspapers published daily and circulating generally in the territory of and in accordance with the requirements of the Designated Stock Exchange or, to the extent permitted by the applicable laws, by placing it on the Company’s website and giving to the member a notice stating that the notice or other document is available there (a “notice of availability”). The notice of availability may be given to the Member by any of the means set out above. In the 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 and Notice so given shall be deemed a sufficient service on or delivery to all the joint holders.

161. Any Notice or other document:

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

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the Company or its agent. A Notice placed on the Company's website is deemed given by the Company to a Member on the day following that on which a notice of availability is deemed served on the Member;

- (c) if served or delivered in any other manner contemplated by these Bye-laws, shall be deemed to have been served or delivered at the time of personal service or delivery or, as the case may be, at the time of the relevant despatch, transmission or publication; and in proving such service or delivery a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board as to the fact and time of such service, delivery, despatch, transmission or publication shall be conclusive evidence thereof; and
  - (d) may be given to a Member either in the English language or the Chinese language, subject to due compliance with all applicable Statutes, rules and regulations.;
- (x) By inserting the words 'or electronic' after the word "facsimile" in Bye-law 163."

By order of the Board  
**Lau Man Tak**  
*Secretary*

Hong Kong  
30th July, 2004

*Notes:*

- (1) A Member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a Member of the Company. In order to be valid, the form of proxy must be deposited at the head office and principal place of business of the Company in Hong Kong at No.7, 2nd Floor, Kingsford Industrial Centre, 13 Wang Hoi Road, Kowloon Bay, Kowloon, Hong Kong, together with any power of attorney or other authority, if any, under which it is signed, or a certified copy of that power or authority, not less than 48 hours before the time for holding the meeting or adjournment thereof.
- (2) The register of Members of the Company will be closed from Thursday, 9th September, 2004 to Friday, 10th September, 2004, both days inclusive, during which period no transfer of shares will be effected. All transfers accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrars in Hong Kong, Secretaries Limited, at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong for registration no later than 4:00 p.m. on Wednesday, 8th September, 2004.
- (3) The Directors of the Company as at the date of this notice are Messrs. Chau Lai Him, Zhou Jin Hua, Lau Man Tak and Liu Jin Rong being the Executive Directors and Messrs. Chung Kam Kwong, Lo Kao Cheng and Lo Wai Ming being the Independent Non-Executive Directors.

**Mr. ZHOU Jin Hua**, aged 46, joined the Group in 1986 and is the deputy chairman of the Group and the general manager of the Group's Dongguan manufacturing facilities. He is responsible for the day-to-day operations of the Group's Dongguan manufacturing facilities including production, sales and marketing and business development. He has more than 15 years' experience in the manufacturing of cable and wire products. Apart from his directorship with the Company, Mr. Zhou did not hold any other directorship in companies listed on the Stock Exchange for the past three years.

Mr. Zhou has no relationship with any other Directors, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Company nor has any interest within the meaning of Part XV of the Securities and Futures Ordinance in the Shares of the Company. There is no service contract made between the Company and Mr. Zhou. The director's fee of Mr. Zhou is determined by the board of directors on his experience and performance and with reference to the market rate of a similar position and total director's fee paid to him for the year ended 31st March, 2004 amounted to HK\$370,000. Apart from the above, there is no other matter that needs to be brought to the attention of Shareholders.

**Mr. LO Kao Cheng**, aged 54, is the general manager of Sunf Pu Electric Wire & Cable Co., Ltd., a company incorporated in Taiwan, Republic of China. He has more than 30 years' experience in the cable and wire industry. Apart from his directorship with the Company, Mr. Lo did not hold any other directorship in companies listed on the Stock Exchange for the past three years.

Mr. Lo has no relationship with any other Directors, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Company nor has any interest within the meaning of Part XV of the Securities and Futures Ordinance in the Shares of the Company. There is no service contract made between the Company and Mr. Lo and he has not received any director's fee for the year ended 31st March, 2004. Apart from the above, there is no other matter that need to be brought to the attention of Shareholders.