
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This circular is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of Tradeeasy Holdings Limited (the “Company”).

If you are in any 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 or transferred all your shares in the Company, you should at once hand this circular to the purchaser(s) or the transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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.

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



TRADEeasy
易 貿 通

Tradeeasy Holdings Limited
(易 貿 通 集 團 有 限 公 司)*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8163)

RE-ELECTION OF DIRECTORS

GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES

AND

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

This circular will remain on the GEM website at www.hkgem.com on the “Latest Company Announcement” page for at least 7 days from the date of its posting.

* For identification purposes only

CHARACTERISTICS OF GEM

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to GEM website at www.hkgem.com in order to obtain up-to-date information on GEM-listed issuers.

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at Millennium City Club, Level 6, Tower 1, Millennium City, 388 Kwun Tong Road, Kowloon, Hong Kong on Friday, 23 July 2004 at 9:30 a.m., notice of which is set out on pages 9 to 15 of this circular
“associate(s)”	has the meaning as given to it in the GEM Listing Rules
“Board”	the board of Directors
“Company”	Tradeeasy Holdings Limited, which is incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the GEM
“connected person”	has the same meaning as defined in the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	30 June 2004, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“Share(s)”	share(s) of HK\$0.01 each of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong.



TRADEeasy
易 質 通

Tradeeasy Holdings Limited
(易質通集團有限公司)*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8163)

Executive Directors:

Mr. Yu Lup Fat, Joseph (*Chairman*)
Mr. Yip Kwok Cheung (*Chief Executive Officer*)
Mr. Wong Kai Yin, Paul
Mr. To Man Yau, Alex

Non-Executive Director:

Mr. Lau Ho Man, Edward

Independent Non-Executive Directors:

Mr. Lau Chi Yiu
Mr. Wu Yao Hua, Terence

Registered office:

Century Yard
Cricket Square
Hutchins Drive
P.O. Box 2681 GT
George Town
Grand Cayman
Cayman Islands
British West Indies

Principal place of business:

Units 1-6, 8/F
Standard Chartered Tower
388 Kwun Tong Road
Kwun Tong
Kowloon
Hong Kong

30 June 2004

To the Shareholders

Dear Sir or Madam,

RE-ELECTION OF DIRECTORS
GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES
AND
AMENDMENTS TO THE ARTICLES OF ASSOCIATION

INTRODUCTION

The Board wishes to seek the approval of the Shareholders at the AGM for (i) re-election of Directors; (ii) granting of the general mandate to issue Shares (referred to in resolution no. 4A of the

* For identification purposes only

LETTER FROM THE BOARD

notice of AGM accompanying this circular); (iii) granting of the general mandate to repurchase Shares (referred to in resolution no. 4B of the notice of AGM accompanying this circular); and (iv) amendments to the Articles of Association of the Company.

The purpose of this circular is to (i) provide you details of the Directors who are subject to re-election at the AGM; (ii) provide you with details of the general mandate to issue Shares; (iii) provide you with details of the general mandate to repurchase Shares; (iv) set out an explanatory statement regarding the general mandate to repurchase Shares as required under the GEM Listing Rules; (v) provide you with details of the amendments to the Articles of Association of the Company; and (vi) give you notice of the AGM.

RE-ELECTION OF DIRECTORS

In accordance with Article 87 of the Articles of Association, Mr To Man Yau, Alex and Mr Wong Kai Yin, Paul will retire by rotation at the AGM and being eligible, offer themselves for re-election.

Meanwhile, Mr Lau Ho Man, Edward who was appointed by the Directors after the 2003 annual general meeting of the Company will in accordance with Article 86(3) of the Articles of Association, retire by rotation at the AGM and being eligible, offers himself for re-election.

Details of the above named Directors who are subject to re-election in the AGM, are set out in Appendix I of this circular in accordance with the relevant requirements of the GEM Listing Rules.

GENERAL MANDATE TO ISSUE SHARES

It will be proposed at the AGM two ordinary resolutions respectively granting to the Directors a general mandate to allot, issue and deal with Shares of the Company not exceeding 20% in issue on the date of the resolution and adding to such general mandate so granted to the Directors any Shares representing the aggregate nominal amount of the Shares repurchased by the Company after the granting of the below general mandate to repurchase Shares up to 10% of the issued share capital of the Company on the date of passing the resolution.

GENERAL MANDATE TO REPURCHASE SHARES

At the 2003 annual general meeting of the Company held on 29 July, 2003, a general mandate was granted to the Directors of the Company to exercise the powers of the Company to repurchase Shares. Such mandate will be lapsed at the conclusion of the forthcoming AGM. The Directors propose to seek your approval of an ordinary resolution at the forthcoming AGM regarding general mandate to repurchase Shares.

An explanatory statement as required under the GEM Listing Rules concerning the general mandate to repurchase Shares is set out in the Appendix II to this circular.

LETTER FROM THE BOARD

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Stock Exchange has revised the GEM Listing Rules and in order to keep the Articles of Association of the Company in compliance with the revised GEM Listing Rules, the Directors propose to amend the Articles of Association and details of amendments are set out in resolution no. 5 of notice of AGM accompanying this circular.

NOTICE OF AGM

Notice of AGM is set out in Appendix III to this circular. The procedure for demanding a poll is set out in Appendix IV.

A form of proxy for use at the AGM was enclosed with the 2004 Annual Report in respect of the year ended 31 March, 2004 which had been despatched to all Shareholders at the same time of this circular. Whether or not you intend to attend the AGM, you are requested to complete and return the form of proxy to the Company's Branch Share Registrar in Hong Kong, Tengis Limited at Ground Floor, BEA Harbour View Centre, Wanchai, Hong Kong not less than 48 hours before the time appointed for the AGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude any Shareholders from attending and voting in person at the AGM should the Shareholders so desire.

RECOMMENDATION

The Directors consider that the re-election of Directors, the granting of the general mandates to issue Shares and repurchase Shares as well as the amendments to the Articles of Association are in the best interests of the Company and its Shareholders and therefore recommend you to vote in favour of the resolutions set out in the notice of AGM.

By Order of the Board
Tradeeasy Holdings Limited
Yu Lup Fat, Joseph
Chairman

The following are the particulars of the Directors (as required by the GEM Listing Rules) proposed to be re-elected at the AGM to be held on 23 July 2004.

Mr. To Man Yau, Alex (杜萬有), aged 41, was appointed as an executive director in September 2001. He worked in an international advertising agency as an Account Manager for over five years and he held no directorship or senior management position in any other listed companies in the last three years. Mr. To has entered into a service agreement with the Company on 20 February, 2002 for a period of three years expiring on 31 January, 2005. Mr. To does not have any relationship with any other Directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company. Pursuant to the service agreement, the aggregate remuneration including a fixed bonus for his service contract is HK\$2,145,000 which was determined by the Board on the bases of prevailing market conditions. The aggregate emolument paid to him for the year ended 31 March 2004 is approximately HK\$490,000. Mr. To has 10,994,162 shares, which represents 2.61%, of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Wong Kai Yin, Paul (黃啟賢), aged 41, was appointed as an executive director in September 2001. Mr. Wong graduated from the University of Hong Kong and majored in Psychology and Philosophy. He worked for an international advertising agency and has completed an advanced advertising course organized by the Accredited Association of Advertising Agencies. In the last three years, Mr. Wong held no directorship or senior management position in any other listed companies. He has entered into a service agreement with the Company on 20 February, 2002 for a period of three years expiring on 31 January, 2005. Mr. Wong does not have any relationship with any other Directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company. Pursuant to the service agreement, the aggregate remuneration including a fixed bonus for his service contract is HK\$2,730,000 which was determined by the Board on the bases of prevailing market conditions. The aggregate emolument paid to him for the year ended 31 March 2004 is approximately HK\$620,000. Mr. Wong has 22,284,415 shares, which represents 5.29%, of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Lau Ho Man, Edward (劉可民), aged 49, was appointed as a non-executive director in December 2003. Mr. Lau is an independent non-executive director of CCT Telecom Holdings Limited (stock code 0138), a cordless phone manufacturer. Mr. Lau has been a Certified Public Accountant for nine years and a fellow of the Hong Kong Society of Accountants and The Association of Chartered Certified Accountants. He is also a member of the Chartered Institute of Management Accountants and the American Institute of Certified Public Accountants and a Council member of the Society of Chinese Accountants & Auditors. Mr. Lau does not have any relationship with any other Directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company. There is no service agreement entered between Mr. Lau and the Company. The aggregate emolument paid to him for the year ended 31 March 2004 is approximately HK\$17,000. Mr. Lau does not have any shareholdings or interests in the Company within the meaning of Part XV of the Securities and Futures Ordinance.

This is an explanatory statement given to all Shareholders of the Company relating to the resolution No. 4B to be proposed at the AGM regarding the general mandate to repurchase Shares.

The explanatory statement contains all the information required pursuant to Rule 13.08 of the GEM Listing Rules.

1. EXERCISE OF THE GENERAL MANDATE TO REPURCHASE SHARES

As at 30 June 2004, the latest practicable date prior to the printing of this explanatory statement, the issued capital of the Company comprised 421,000,000 ordinary shares of HK\$0.01 each.

If the resolution No. 4B authorising the Directors to repurchase Shares is passed at the forthcoming AGM, and assuming that no new Shares in the Company are issued prior to the date of passing the said resolution, based on the 421,000,000 shares in issue as at 30 June 2004, up to 42,100,000 shares, representing 10 per cent. of the existing issued share capital of the Company may be repurchased by the Company, during the period from the date of passing the resolution No. 4B and ending on either the date of the next annual general meeting, the date by which the next annual general meeting of the Company is required to be held by the Articles of Association or applicable laws of the Cayman Islands or the date upon which the resolution no. 4B is revoked or varied by Shareholders in general meeting (whichever is the earliest).

2. REASONS FOR REPURCHASES

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

3. FUNDING OF REPURCHASES

Repurchases must be funded out of funds legally available for the purpose in accordance with the Articles of Association of the Company, the GEM Listing Rules and the laws of the Cayman Islands and Hong Kong. The Company may not repurchase its Shares on the GEM 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.

4. GENERAL

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 financial statements contained in the annual report of the Company for the year ended 31 March 2004) in the event that the proposed repurchase of shares was to be carried out in full at any time during the proposed repurchase period. However, the Directors expect to exercise such mandate if and to such extent only as they are satisfied that the exercise thereof will not have such a material adverse impact.

5. SHARE PRICES

The highest and lowest prices at which the Company's Shares have traded on the Stock Exchange during each of the previous twelve months prior to the Latest Practicable Date were as follows:

Period	Traded Prices	
	Highest HK\$	Lowest HK\$
June 2003	0.030	0.025
July 2003	0.033	0.021
August 2003	0.026	0.017
September 2003	0.054	0.020
October 2003	0.040	0.029
November 2003	0.041	0.025
December 2003	0.043	0.035
January 2004	0.040	0.036
February 2004	0.042	0.030
March 2004	0.040	0.030
April 2004	0.038	0.025
May 2004	0.044	0.035

6. HONG KONG CODE ON TAKEOVERS AND MERGERS

If, as the result of the repurchase of the Company's 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 the Takeovers Code. As a result, a shareholder, or a group of Shareholders acting in concert (as defined in the GEM Listing Rules), could, depending on the level of increase of Shareholding interest, obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, the Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchase pursuant to the general mandate to repurchase Shares.

As at 30 June 2004, the Latest Practicable Date prior to the printing of this explanatory statement, the substantial Shareholders of the Company were:

Name of Shareholder	No. of Shares interested in	Approximate percentage of Shareholding	If exercised in full the power to purchase
Manistar Enterprises Limited	93,364,070	22.18%	24.64%
CCT Telecom Holdings Limited (<i>note 1</i>)	93,364,070	22.18%	24.64%
Lee Dao Bon, Barton	26,314,938	6.25%	6.95%
Yip Kwok Cheung (<i>note 2</i>)	24,129,073	5.73%	6.37%
Wong Kai Yin, Paul	22,284,415	5.29%	5.88%

Notes:

- The interests disclosed comprised 93,364,070 Shares beneficially owned by Manistar Enterprises Limited, which is a wholly-owned subsidiary of CCT Telecom Holdings Limited.*
- The interests of Yip Kwok Cheung in the Shares include 518,411 Shares held by his wife, Choy Ching Yee, Ruby.*

In the event that the Directors shall exercise in full the power to repurchase Shares of the Company in accordance with the terms of the resolution No. 4B to be proposed at the AGM, the total interests of the above substantial Shareholders would be increased to approximately the respective percentages shown in the last column above, which will not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. In fact, the Directors do not have the intention to exercise the power to repurchase Shares of the Company to an extent which would make any of the substantial Shareholders to be obliged to make a mandatory offer under Rule 26 of the Takeovers Code in this respect.

7. CONNECTED PERSONS

No connected person has notified the Company that it has a present intention to sell any of the Company's shares to the Company, or has undertaken not to do so, if the general mandate to repurchase Shares is exercised.

8. DIRECTORS

None of the Directors or, to the best of their knowledge, having made all reasonable enquiries, their associates have any present intention to sell any of the Company's Shares to the Company or its subsidiaries if the general mandate to repurchase Shares is exercised.

The Directors have undertaken to the Stock Exchange that they will exercise the general mandate to repurchase Shares should it be granted in the forthcoming AGM, in accordance with the GEM Listing Rules and the applicable laws of the Cayman Islands, the jurisdiction in which the Company is incorporated.

9. REPURCHASED SHARES

The Company has made no repurchases of its own Shares (whether on the GEM or otherwise) in the six months preceding the date of this explanatory statement.



Tradeeasy Holdings Limited

(易 貿 通 集 團 有 限 公 司)*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8163)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of the shareholders of Tradeeasy Holdings Limited (the “Company”) will be held at Millennium City Club, Level 6, Tower 1, Millennium City, 388 Kwun Tong Road, Kowloon on Friday, 23 July 2004 at 9:30 a.m. for the following purposes:

- 1) To receive and consider the audited financial statements and the reports of the directors and auditors of the Company for the year ended 31 March 2004.
- 2) To re-elect retiring directors and to authorise the board of directors (the “Board”) to fix the directors’ remuneration.
- 3) To re-appoint auditors and to authorise the Board to fix their remuneration.
- 4) As special business, to consider and, if thought fit, pass the following resolutions with or without amendments as ordinary resolutions:

A “THAT:

- (i) subject to paragraph (iii) of this resolution and pursuant to the Rules Governing the Listing of Securities on the Growth Enterprise Market (“GEM”) of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”), the exercise by the directors of the Company (“Directors”) during the Relevant Period (as hereinafter defined) of all powers of the Company to allot, issue and deal with additional shares in the capital of the Company 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;

* For identification purpose only

- (ii) the approval in paragraph (i) of this resolution shall authorise the Directors of the Company during the Relevant Period to make and grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (iii) 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 pursuant to the approval in paragraph (i) of this resolution, otherwise than pursuant to (a) a Rights Issue (as hereinafter defined) or, (b) the grant or exercise of rights of conversion under any securities which are convertible into shares of the Company or, (c) any scrip dividend scheme or similar arrangements providing for the allotment of shares in lieu of the whole or a part of a dividend on shares of the Company pursuant to the Articles of the Association of the Company from time to time, (d) the grant or exercise of any options granted under any option scheme or similar arrangement for the time being adopted by the Company for the grant or issue to the Directors, officers and/or employees of the Company and/or any of its subsidiaries of options to subscribe for, or rights to acquire, shares of the Company, shall not in aggregate exceed 20 per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this resolution and the said approval shall be limited accordingly; and
- (iv) 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 Articles of Association of the Company or any applicable laws to be held; or
- (c) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Right issue” means the allotment or issue of shares in the capital of the Company pursuant to an offer of shares open for a period fixed by the Directors made to holders of shares of the Company or any class thereof 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 or class thereof (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).”

B “THAT:

- (i) subject to paragraph (ii) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase its own issued shares in the capital of the Company on GEM of the Stock Exchange or on any other stock exchange on which the shares of the Company may be listed and recognised for this purpose by the Securities and Future Commission and the Stock Exchange in accordance with all the applicable laws and the requirements of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (as amended from time to time) or of any other stock exchange, be and is hereby generally and unconditionally approved;
- (ii) the aggregate nominal amount of shares of the Company to be repurchased by the Company pursuant to the approval in paragraph (i) of this resolution shall not exceed 10 per cent of the aggregate nominal amount of share capital of the Company in issue as at the date of passing of this resolution and the said approval shall be limited accordingly; and
- (iii) 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 Articles of Association of the Company or any applicable laws to be held; or
- (c) 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** condition upon the resolution numbered 4B in the notice convening this meeting being passed, the general mandate granted to the Directors of the Company to allot, issue and deal with additional securities pursuant to resolution numbered 4A in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of shares repurchased by the Company under the authority granted pursuant to the said resolution numbered 4B.”

- 5) As special business, to consider and, if thought fit, pass the following resolution with or without amendments as a special resolution:

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

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

““associate” the meaning attributed to it in the rules of the Designated Stock Exchange.”

- (ii) By re-numbering existing Article 76 as Article 76(1);

- (iii) By inserting the following as new Article 76(2):

“(2) Where 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.”

- (iv) By deleting the words “not less than seven (7) clear days but not more than fourteen (14) clear days before the date of the general meeting” in the last sentence of Article 88 and replacing therewith the following provision:

“provided that the minimum length of the period, during which such Notice(s) are given, shall be at least seven (7) days and that the period for lodgment of such Notice(s) shall commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.”

- (v) By deleting the existing Article 103 in its entirety and replacing therewith the following new Article 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 associates is materially interested, but this prohibition shall not apply to any of the following matters namely:

- (i) any contract or arrangement for the giving to such Director or his associate(s) any security or indemnity in respect of money lent by him or any of his 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;
 - (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 or any of its subsidiaries 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 other than a company in which the Director and/or his associate(s) is/are 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 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 accorded to the employees 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) are the holders of or beneficially interested in five (5) per cent. or more of any class of the equity share capital of such company or of the voting rights available to members of such company (or of any third company through which his/their 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 and any shares which carry no voting right at general meetings and very restrictive dividend and return of capital right.

- (3) Where a company in which a Director and/or his associate(s) holds five (5) per cent. or more is/are 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 his associate(s) 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 and/or his associate(s) 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.””

By Order of the Board
Siu Chi Man
Company Secretary

Hong Kong, 18 June 2004

Principal Place of Business:

Units 1-6, 8/F
Standard Chartered Tower
388 Kwun Tong Road
Kwun Tong
Kowloon
Hong Kong

Registered Office:

Century Yard
Cricket Square
Hutchins Drive
P.O. Box 2681GT
George Town
Grand Cayman
British West Indies

Notes:

1. A member of the Company entitled to attend and vote at the Annual General Meeting convened by the above notice is entitled to appoint one or more proxies (if a member who is the holder of two or more shares) to attend and vote in his stead. A proxy need not be a member of the Company.
2. In order to be valid, the form of proxy together with a 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 Branch Share Registrar in Hong Kong, Tengis Limited at Ground Floor, BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not less than forty-eight hours before the time appointed for the Annual General Meeting (or any adjournment thereof).
3. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the Annual General Meeting and in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. Where there are joint holders of any Shares, any one of such joint holders may vote either in person or by proxy in respect of such Shares as if he/she was solely entitled thereto; but if more than one of such joint holders be present at the Annual General Meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members.

Pursuant to the Article 66 of the Articles of Association of the Company, a resolution put to the vote of the meeting (including the forthcoming AGM) 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:-

- (a) by the chairman of the meeting; or
- (b) by 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) by 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) by 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.

A demand by a person as proxy for a member or in the case of a member being a corporation by its duly authorised representative shall be deemed to be the same as a demand by a member.