

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 Magnum International Holdings Limited (the “Company”), you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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Magnum International Holdings Limited

萬能國際集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 305)

PROPOSALS FOR GENERAL MANDATES TO REPURCHASE SHARES AND TO ISSUE SHARES AND AMENDMENTS TO THE BYE-LAWS

A notice convening an annual general meeting of Magnum International Holdings Limited to be held at The Garden Rooms, 2nd Floor, The Royal Garden Hotel, 69 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Thursday, 10 June 2004 at 3:00 p.m. is set out on pages 10 to 15 of this circular. A form of proxy for use at the annual general meeting is also enclosed.

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 Company’s Hong Kong share registrar, Tengis Limited at G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, 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 or adjourned meeting. Completion and return of the form of proxy will not prevent shareholders from attending and voting at the meeting if they so wish.

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	
I. Introduction	2
II. Buyback and Issuance Mandates	2
III. Amendments to the Bye-Laws	3
IV. Annual General Meeting	4
V. Recommendations	4
Appendix I — Explanatory Statement — Share Buyback	5
Appendix II — Procedures by which Shareholders may Demand a Poll at General Meeting Pursuant to the Bye-Laws	8
Appendix III — Details of Director Proposed to be Re-elected at Annual General Meeting	9
Notice of Annual General Meeting	10

DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at The Garden Rooms, 2nd Floor, The Royal Garden Hotel, 69 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Thursday, 10 June 2004 at 3:00 p.m., notice of which dated 30 April 2004 was set out in this circular
“Buyback Mandate”	as defined in paragraph II(i) of the Letter from the Board
“Bye-laws”	existing Bye-laws of the Company adopted on 30 October 1992 with subsequent amendments on 26 June 1997
“Company”	Magnum International Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“Issuance Mandate”	as defined in paragraph II(ii) of the Letter from the Board
“Latest Practicable Date”	23 April 2004, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Shareholders”	holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited



Magnum International Holdings Limited

萬能國際集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 305)

Executive Directors:

Lim Teong Leong (*Chairman*)

Tam Cheok Wing

Ooi Sin Heng

Chan Hon Ming

Registered Office:

Canon's Court

22 Victoria Street,

Hamilton HM12,

Bermuda

Independent Non-Executive Directors:

Gan Cheong Ann

Kwan Huey Jin

Principal place of business

in Hong Kong:

Unit 1301A, 13th Floor,

Bank of America Tower,

12 Harcourt Road,

Central,

Hong Kong

30 April 2004

To the shareholders

Dear Sir or Madam,

**PROPOSALS FOR GENERAL MANDATES
TO REPURCHASE SHARES AND TO ISSUE SHARES
AND
AMENDMENTS TO THE BYE-LAWS**

I. INTRODUCTION

The purpose of this circular is to provide you with information in respect of the resolutions to be proposed at the Annual General Meeting for the approval of (i) the granting of the Buyback Mandate and the Issuance Mandate to the Directors; and (ii) the amendments to the Bye-Laws of the Company.

II. BUYBACK AND ISSUANCE MANDATES

The Listing Rules contain provisions to regulate the repurchase by companies with primary listings on the Stock Exchange of their own Shares on the Stock Exchange.

* For identification purposes only

LETTER FROM THE BOARD

Ordinary resolutions will be proposed at the Annual General Meeting of the Company:

- (i) to grant to the Directors a general mandate to exercise the powers of the Company to undertake repurchases of the Company's fully paid up shares (the "Shares") up to a maximum of 10% of the issued share capital of the Company on the date of passing of the relevant ordinary resolution (the "Buyback Mandate");
- (ii) to grant a general mandate to the Directors to issue new Shares up to a maximum of 20% of the issued share capital of the Company on the date of passing of the relevant ordinary resolution (the "Issuance Mandate"); and
- (iii) to extend the Issuance Mandate by the number of shares repurchased.

The Buyback Mandate and the Issuance Mandate will continue in force until the conclusion of the next annual general meeting of the Company or any earlier date as referred to in Resolution Nos. 4 and 5 set out in the notice of the Annual General Meeting.

In accordance with the Listing Rules, the Company is required to send to the Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the grant of the Buyback Mandate. An explanatory statement as required by the Listing Rules in connection with the Buyback Mandate is set out in Appendix I to this circular.

III. AMENDMENTS TO THE BYE-LAWS

The Directors note that the Stock Exchange has recently announced amendments to the Listing Rules (which came into effect on 31 March 2004) relating to, inter alia, the articles of association of listed issuers. The Directors therefore propose to amend the following clauses of the Bye-Laws to ensure compliance with the amended provisions of the Listing Rules:

- (i) Bye-law 74 shall be amended to the effect that 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;
- (ii) Bye-law 89 shall be amended to the effect that the minimum length of the period during which the notice to the Company of the intention to propose a person for election as a director and during which the notice to the Company by such person of his willingness to be elected are given shall be at least 7 days and that the period for lodgement of the aforesaid notice(s) 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 prior to the date of such general meeting; and
- (iii) Bye-law 112 shall be amended to the effect that Directors shall abstain from voting at the board meeting on any matter in which any of his associates has a material interest and shall not be counted towards the quorum of such board meeting.

With the repeal of the Securities and Futures (Clearing Houses) Ordinance and the coming into effect of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) on 1 April 2003, it is also proposed that the definition of "clearing house" under Bye-law 1 shall be amended such that its reference to the Securities and Futures (Clearing Houses) Ordinance shall be deleted.

LETTER FROM THE BOARD

In addition to the above, Bye-law 54 shall be amended by inserting the provisions in relation to non-voting or restricted voting shares such that to conform to provision nos. 10(1) and 10(2) in Appendix 3 of the Listing Rules.

IV. ANNUAL GENERAL MEETING

The notice of the Annual General Meeting is set out on pages 10 to 15 of this circular. At the Annual General Meeting, resolutions will be proposed to approve the granting of general mandate on repurchase of shares and the general mandate for Directors to issue new shares, as well as the amendments to the Bye-Laws.

A form of proxy for use at the Annual General Meeting is enclosed with this circular. If you intend to appoint a proxy to attend the Annual General Meeting, you are requested to complete the proxy form and return it to the Company's share registrar in Hong Kong, Tengis Limited at G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the Annual General Meeting or adjourned meeting (as the case may be). Completion and return of the form of proxy will not prevent you from attending and voting at the Annual General Meeting if you so wish.

V. RECOMMENDATIONS

The Directors consider that the proposed granting of general mandate on repurchase of shares and the general mandate for Directors to issue new shares as well as the amendments to the Bye-Laws are all in the best interests of the Company and its shareholders as a whole. Accordingly, the Directors recommend all shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

Your attention is also drawn to the additional information set out in the Appendix I (Explanatory Statement on the share buyback), Appendix II (Procedures by which Shareholders may demand a poll at general meeting pursuant to the Bye-Laws) and Appendix III (Details of Director proposed to be re-elected at Annual General Meeting) to this circular.

Yours faithfully
By Order of the Board
Lim Teong Leong
Chairman

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information for your consideration of the proposed mandate on repurchase of shares.

1. REASONS FOR SHARE BUYBACK

The Directors believe that the proposed granting of the Buyback Mandate is in the interests of the Company and its Shareholders (the “Shareholders”).

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

2. SHARE CAPITAL

As at 23 April 2004, the Latest Practicable Date, the issued share capital of the Company comprised 615,024,175 Shares of HK\$0.10 each.

Subject to the passing of the ordinary resolution no. 4 set out in the notice of the Annual General Meeting and on the basis that no Shares are issued or repurchased by the Company prior to the Annual General Meeting, the Company would be allowed under the Buyback Mandate to repurchase a maximum of 61,502,417 Shares during the period in which the Buyback Mandate remains in force.

3. FUNDING OF REPURCHASES

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

Shares shall not be repurchased 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. The Directors propose that repurchases of Shares under the Buyback Mandate in these circumstances would be financed from the Company’s internal resources or existing banking facilities.

There might be 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 of the Company for the year ended 31 December 2003) in the event that the Buyback Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Buyback Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are purchased will be decided by the Directors at the relevant time having regard to the circumstances then pertaining.

4. MARKET PRICES OF SHARES

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

	Shares	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2003		
April	—	—
May	0.094	0.094
June	0.088	0.055
July	0.055	0.050
August	0.074	0.040
September	0.135	0.078
October	0.085	0.050
November	—	—
December	0.092	0.075
2004		
January	0.103	0.072
February	0.100	0.072
March	—	—

5. DISCLOSURE OF INTEREST

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases under the Buyback Mandate in accordance with the Listing Rules and laws of Bermuda and in accordance with the Memorandum of Association and the Bye-laws of the Company.

If as a result of a repurchases 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 the Takeovers Code. As a result, a shareholder, or group of shareholders acting in concert, depending on the level of such increase, could increase, obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at 23 April 2004, the Latest Practicable Date, to the best of the knowledge and belief of the Directors, Magnum (Guernsey) Limited held approximately 51.54% of the issued Shares. In the event that the Directors exercise in full the Buyback Mandate in relation to Shares, the aggregate shareholding of Magnum (Guernsey) Limited in the Company would increase to approximately 57.26% of the issued Shares. The directors consider that such an increase would not give rise to an obligation on the part of Magnum (Guernsey) Limited to make a mandatory offer under Rule 26 of the Takeovers Code. Besides, the Directors have no intention to exercise the Buyback Mandate to such an extent as will result in the number of Shares in the hands of the public falling below the prescribed minimum aggregate percentage (under the Listing Rules) of 25%.

None of the Directors, and to the best of their knowledge having made all reasonable enquiries, nor any associates of the Directors, have any present intention to sell Shares to the Company in the event that the Buyback Mandate is approved by shareholders.

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

6. SHARE REPURCHASES MADE BY THE COMPANY

No repurchase of Shares has been made by the Company nor any of its subsidiaries (whether on the Stock Exchange or otherwise) during the last six months immediately preceding the Latest Practicable Date.

The following is setting out the procedures by which the Shareholders may demand a poll at the Annual General Meeting.

According to the Bye-Laws of the Company, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hand or on the withdrawal of any other demand for a poll) a poll is duly demanded. A poll may be demanded by:

- (a) by the chairman of such 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 attend and 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 attend and vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Stated below are the details of the following director who will be retired and be eligible for re-election at the Annual General Meeting according to the Bye-Laws of the Company:

(1) Mr. Chan Hon Ming, aged 44, an executive director

Experience and Length of service

Mr. Chan Hon Ming was appointed an executive director of the Company in August 1999. Mr. Chan is also the managing director of Magnum International Securities Limited, a wholly-owned subsidiary of the Group. He holds a MBA degree majoring in Finance and has over seventeen years of working experience in the stock brokerage business. Starting as a research analyst, he worked his way up to the deputy-managing-director of a brokerage house before joining the Group.

Relationships

Apart from being a director and an employee of the Company as mentioned above, Mr. Chan Hon Ming does not have any other relationship with the Company and its subsidiaries. In addition, Mr. Chan does not have any relationship with any other directors, senior management or substantial or controlling shareholders of the Company.

Interests in Shares

As at the Latest Practicable Date, Mr. Chan Hon Ming has a personal interest of 3,000,000 underlying shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Director's emoluments

Mr. Chan Hon Ming has been working under an employment letter as managing director of Magnum International Securities Limited. Under the employment letter, his annual income comprises 12 months basis salary plus 3 months fixed bonus which was determined with reference to the same position in the market and such annual income will be subject to the review by the board annually. In the year 2003, his basic salary is HK\$106,605 per month and so he received 12 months basic salary of HK\$1,279,260 and 3 months fixed bonus of HK\$319,815.

Other than the employment letter mentioned above, there is no service contract between Mr. Chan and the Company as director of the Company.



Magnum International Holdings Limited

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(Incorporated in Bermuda with limited liability)

(Stock Code: 305)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Magnum International Holdings Limited (“the Company”) will be held at The Garden Rooms, 2nd Floor, The Royal Garden Hotel, 69 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Thursday, 10 June 2004 at 3:00 p.m. for the following purposes:

1. To receive and consider the Audited Financial Statements and the Reports of the Directors and of the Auditors for the year ended 31 December 2003.
2. To re-elect Directors, to fix the maximum number of Directors and to authorize the Board of Directors to fix their remuneration.
3. To appoint Messrs Ernst & Young as auditors and to authorize the Board of Directors to fix their remuneration.
4. As special business, to consider and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

“THAT

- (a) the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to purchase its shares, subject to and in accordance with the applicable laws, be and is hereby generally and unconditionally approved;
- (b) the total nominal amount of shares of the Company to be purchased pursuant to the approval in paragraph (a) above shall not exceed 10% of the total nominal amount of the share capital of the Company in issue on the date of passing of this resolution and the said approval shall be limited accordingly; and
- (c) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the revocation or variation of the authority given under this resolution by ordinary resolution passed by the Company’s shareholders in general meeting; and
 - (iii) 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.”

* For identification purposes only

NOTICE OF ANNUAL GENERAL MEETING

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

“THAT

- (a) the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to issue, allot and deal with additional shares of the Company and to make or grant offers, agreements and options which would or might require shares to be allotted, issued or dealt with during or after the end of the Relevant Period (as defined below), be and is hereby generally and unconditionally approved, provided that, otherwise than pursuant to:
- (i) a rights issue where shares are offered to shareholders on a fixed record date in proportion to their then holdings of shares (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); or
 - (ii) any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries and/or any eligible grantee pursuant to the scheme of shares or rights to acquire shares of the Company; or
 - (iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Bye-laws of the Company,

the total nominal amount of additional shares to be issued, allotted, dealt with or agreed conditionally or unconditionally to be issued, allotted or dealt with shall not in total exceed 20% of the total nominal amount of the share capital of the Company in issue on the date of passing of this resolution and the said approval shall be limited accordingly; and

- (b) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the revocation or variation of the authority given under this resolution by ordinary resolution passed by the Company’s shareholders in general meeting; and
 - (iii) 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.”

NOTICE OF ANNUAL GENERAL MEETING

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

“**THAT** the general mandate granted to the Directors of the Company pursuant to resolution no. 5 above and for the time being in force to exercise the powers of the Company to allot shares and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby extended by the total nominal amount of shares in the capital of the Company repurchased by the Company pursuant to the exercise by the Directors of the Company of the powers of the Company to purchase such shares since the granting of such general mandate referred to in the above resolution no. 4, provided that such amount shall not exceed 10% of the total nominal amount of the share capital of the Company in issue on the date of passing of this resolution.”

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

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

(a) *Bye-law 1*

- (i) by inserting the definition of “associate” immediately after the definition of “the Act” as follows:

“associate” shall have the meaning attributed to it in the rules of the Designated Stock Exchange;

- (ii) by replacing the words “Section 2 of the Securities and Futures (Clearing Houses) Ordinance (Chapter 420 of the Laws of Hong Kong)” by “the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)” in the definition of “clearing house.”;

(b) *Bye-law 54*

by inserting the following new Bye-law 54(ii) after the existing Bye-law 54(i):

- (ii) divide its shares into several classes and without prejudice to any special rights previously conferred on the holders of existing shares attach thereto respectively any preferential, deferred, qualified or special rights, privileges, conditions or such restrictions which in the absence of any such determination by the Company in general meeting, as the Directors may determine provided always that where the Company issues shares which do not carry voting rights, the words “non-voting” shall appear in the designation of such shares and where the equity capital includes shares with different voting rights, the designation of each class of shares, other than those with the most favourable voting rights, must include the words “restricted voting” or “limited voting”;

by re-numbering the existing Bye-laws 54(ii) to (iv) as new Bye-laws 54(iii) to (v).

NOTICE OF ANNUAL GENERAL MEETING

(c) *Bye-law 74*

by re-numbering the existing Bye-law 74 as Bye-law 74(A) and inserting a new Bye-law 74(B) as follows:

“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.”;

(d) *Bye-law 89*

by deleting the existing Bye-law 89 in its entirety and substituting therefore a new Bye-law 89 as follows:

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

(e) *Bye-laws 112(A), 112(E) and 112(F)*

by deleting the following provision in Bye-law 112(A):

“Subject to the provisions of the Act, the Directors may exercise the voting powers conferred by the shares in any other company held or owned by the Company or exercisable by them as directors of such other company in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them as Directors or other officers of such company) and any Director may vote in favour of the exercise of such voting rights in the manner aforesaid notwithstanding that he may be, or be about to be, appointed a Director or other officer of such a company and that as such he is or may become interested in the exercises of such voting rights in the manner aforesaid.”

by deleting the existing Bye-laws 112(E) and 112(F) in its entirety and substituting therefor a new Bye-law 112(E) as follows:

“(i) 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, and if he shall do so his vote shall not be counted (nor is he to be counted in the quorum for the resolution) but this prohibition shall not apply to any of the following matters namely:

- (a) any contract or arrangement for the giving by the Company or any its subsidiaries of any security or indemnity to the Director or is associate(s) in respect of money lent by him or any of his associate(s) 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;

NOTICE OF ANNUAL GENERAL MEETING

- (b) any contract or arrangement for the giving by the Company or any of its subsidiaries 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;
 - (c) any contract or arrangement by a Director or his associate(s) to subscribe for shares or debentures or other securities of the Company or any of its subsidiaries to be issued pursuant to any offer or invitation to the members or debenture holders or to the public which does not provide the Director or his associate(s) any privilege not accorded to any other members or debenture holders or to the public;
 - (d) 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;
 - (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 or any of its subsidiaries by virtue only of his/their interest in shares or debentures or other securities of the Company or any of its subsidiaries;
 - (f) any contract, arrangement or proposal concerning any other company in which a Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or a shareholder or in which the Director or his associate(s) is/are beneficially interested in shares of that company, provided that the Director, and any of his associates are not in aggregate beneficially interested in 5% or more of the issued shares or of the voting rights of any class of shares of such company (or of any third company through which his interest or that of his associate(s) is derived); or
 - (g) any proposal or arrangement for the benefit of employees of the Company or its subsidiaries or its associated companies including the adoption, modification or operation of a pension fund or retirement, death or disability benefit scheme which relates both to directors, his associates and employees of the Company or of any of its subsidiaries or its associated companies and does not give the Director, or his associate(s), as such any privilege or advantage not generally accorded to the employees to whom such scheme or fund relates; or
 - (h) any proposal concerning the adoption, modification or operation of any share scheme or any share incentive or share option scheme involving the issue or grant of options over shares or other securities by the Company to, or for the benefit of the employees of the Company or its subsidiaries or its associated companies under which the Director or his associate(s) may benefit.
- (ii) A company shall be deemed to be a company in which a Director and/or his associate(s) has an interest of 5% or more if and so long as (but only if and so long as) he and/or his associate(s) (either directly or indirectly) is/are the holders of or beneficially interested in 5% or more of the issued shares of any class of the equity share capital of such company or of the voting rights available to members of such company (or of any third company through which his interest or that of any of his associate(s) is derived). For the purpose of

NOTICE OF ANNUAL GENERAL MEETING

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 Director and/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 and/or his associate(s) is/are interested only as a unit holder.

- (iii) Where a company in which a Director and/or his associate(s) has an interest of 5% or more is materially interested in a transaction, then that Director and/or his associate(s) shall also be deemed materially interested in such transaction.
- (iv) 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) as to the entitlement of any Director (other than such chairman) to vote or be counted in 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 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.
- (v) The Company may by ordinary resolution ratify any transaction not duly authorised by reason of a contravention of this Bye-Law provided that no Director and/or his associate(s) who is/are materially interested in such transaction shall vote upon such ordinary resolution in respect of any shares in the Company in which they are interested.”

By Order of the Board
Lim Teong Leong
Chairman

Hong Kong, 30 April 2004

Notes:

1. A member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and, on a poll, vote on his behalf. A proxy need not be a member of the Company.
2. To be valid, a form of proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power of authority must be lodged with the Company's Hong Kong share registrar, Tengis Limited at G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or adjourned Meeting.
3. An explanatory statement containing further details regarding Resolution Nos. 4 to 7 above will be sent to shareholders together with this notice.