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

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**If you are in doubt** as to any aspect of this circular or as to the action to be taken, you should consult a 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 Veeko International Holdings Limited, you should at once hand this circular together with the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the 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.

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Veeko®

**VEEKO INTERNATIONAL HOLDINGS LIMITED**

**威高國際控股有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**PROPOSED TERMINATION OF THE EXISTING SHARE OPTION SCHEME,  
PROPOSED ADOPTION OF A NEW SHARE OPTION SCHEME,  
PROPOSED GRANT OF GENERAL MANDATES  
TO ISSUE SHARES AND TO REPURCHASE ITS OWN SHARES**

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A notice convening an annual general meeting of the Company to be held on 17th September, 2003 at 10:30 a.m. at 10th Floor, Wyler Centre Phase II, 192-200 Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong is set out on pages 20 to 24 of this circular. Whether or not you are able to attend the meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and deposit the same as soon as possible and in any event not later than 48 hours before the time of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting or any adjournment thereof should you so wish.

30th July, 2003

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## **RESPONSIBILITY STATEMENT**

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This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company and its subsidiaries. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

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## DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company for the year ended 31st March, 2003 to be convened and held on 17th September, 2003 at 10:30 a.m. at 10th Floor, Wyler Centre Phase II, 192-200 Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong, the notice of which is set out on pages 20 to 24 of this circular, and any adjournment thereof
“Associates”	has the meaning ascribed to it under the Listing Rules
“Cayman Principal Registrar”	The Bank of Bermuda (Cayman) Limited, the principal share registrar and transfer office of the Company in Cayman Islands, whose offices is at P.O. Box 513 G.T. 3rd Floor, British American Tower, Dr. Roy’s Drive, George Town, Grand Cayman, Cayman Islands, British West Indies
“Board”	the board of Directors
“Company”	Veeko International Holdings Limited, an exempted company incorporated in the Cayman Islands under the Companies Law with limited liability, the Shares of which are listed on the Main Board of the Hong Kong Stock Exchange
“Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Existing Scheme”	the existing share option scheme of the Company adopted pursuant to a resolution in writing of the shareholders of the Company passed on 23rd March, 1999
“Extension Mandate”	a general and unconditional mandate to the Directors to the effect that any Shares repurchased under the Repurchase Mandate will be added to the total number of Shares which may be allotted and issued under the Issue Mandate
“Group”	the Company and its subsidiaries and the expression “member(s) of the Group” shall be construed accordingly
“Issue Mandate”	a general and unconditional mandate to the Directors to exercise the power of the Company to allot, issue or otherwise deal with Shares up to a maximum of 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing the resolution at the Annual General Meeting

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## DEFINITIONS

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“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Branch Registrar”	Secretaries Limited, the branch share registrar and transfer office of the Company in Hong Kong, whose office is at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Latest Practicable Date”	23rd July, 2003, 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 Hong Kong Stock Exchange
“New Scheme”	the new share option scheme proposed to be adopted by the Company at the Annual General Meeting for the benefit of the employees and directors of the Company and its subsidiaries and other eligible participants as prescribed thereunder
“Proposal”	the termination of the Existing Scheme, the adoption of the New Scheme and the grant of a general mandate to the Directors to grant options under the New Scheme of up to 10% of the Shares in issue of the Company as at the date of the Annual General Meeting
“Registrars”	collectively, the Cayman Principal Registrar and the Hong Kong Branch Registrar
“Repurchase Mandate”	a general and unconditional mandate to the Directors to enable them to repurchase the Shares the aggregate nominal amount of which does not exceed 10% of the aggregate nominal amount of the share capital in issue as at the date of passing the relevant resolution at the Annual General Meeting
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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LETTER FROM THE BOARD

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Veeko®

VEEKO INTERNATIONAL HOLDINGS LIMITED

威高國際控股有限公司

(incorporated in the Cayman Islands with limited liability)

*Directors:*

Cheng Chung Man, Johnny

(Chairman and Managing Director)

Lam Yuk Sum

Cheng Chung Hoo\*

Yang Wei Tak\*

\* Independent non-executive directors

*Registered office:*

Century Yard

Cricket Square

Hutchins Drive

P.O. Box 2681GT

George Town

Grand Cayman

British West Indies

*Principal Office in Hong Kong:*

10th Floor, Wyler Centre Phase II

192-200, Tai Lin Pai Road

Kwai Chung, New Territories

Hong Kong

30th July, 2003

*To the Shareholders*

Dear Sir/Madam

**PROPOSED TERMINATION OF THE EXISTING SHARE OPTION SCHEME,  
PROPOSED ADOPTION OF A NEW SHARE OPTION SCHEME,  
AND THE PROPOSED GRANT OF GENERAL MANDATES  
TO ISSUE SHARES AND TO REPURCHASE ITS OWN SHARES**

**INTRODUCTION**

The primary purposes of this circular are to provide you information regarding the ordinary resolutions to be proposed at the Annual General Meeting and to give you notice of the Annual General Meeting. Resolutions to be proposed at the Annual General Meeting include ordinary resolutions relating to the proposed grant of the Repurchase Mandate, the Issue Mandate and the Extension Mandate and the approval of the Proposal.

Under the Listing Rules, the Company is required to provide you with information reasonably necessary to enable you to make an informed decision as to whether to vote for or against the resolutions to be proposed at the Annual General Meeting. This circular is also prepared for such purpose.

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## LETTER FROM THE BOARD

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### THE PROPOSAL

#### Existing Scheme

By a resolution in writing passed on 23rd March, 1999 by all the then shareholders of the Company, the Existing Scheme was adopted. Under the Existing Scheme, the Directors were authorised to grant to full-time employees of the Company or its subsidiaries, including executive directors of such companies, options to subscribe for Shares.

Since the adoption of the Existing Scheme, no option has been granted or agreed to be granted under the Existing Scheme. Other than the Existing Scheme, the Company does not currently maintain any other share scheme.

The Directors confirm that with effect from the Latest Practicable Date, they will not further exercise their authorities in granting options under the Existing Scheme and no further option will be granted under the Existing Scheme prior to its termination and the approval of the adoption of the New Scheme at the Annual General Meeting.

#### Reasons for the Proposal

Major amendments have been introduced to Chapter 17 of the Listing Rules. These amendments came into effect on 1st September, 2001.

Chapter 17 of the Listing Rules deals with the share option schemes of companies listed on the Main Board of the Hong Kong Stock Exchange. The amendments introduced, among others, expanded the classes of potential grantees of share options, relaxed certain requirements relating to the maximum number of shares comprised in share options that can be granted under the share option schemes of such listed companies and, at the same time, imposed new disclosure and approval requirements on such listed companies.

Options may no longer be granted under the Existing Scheme by the Company unless such grants have been made in compliance with the amended rules. In this connection, the Board intends to propose to the Shareholders that the Company should terminate its Existing Scheme and adopt the New Scheme, the terms of which will comply with the amended Chapter 17 of the Listing Rules. The Directors consider that the adoption of the New Scheme is in the interest of the Company and the Shareholders as a whole because it enables the Company to reward and provide incentives to, and strengthen the Group's business relationship with, the prescribed classes of participants who may contribute to the growth and development of the Group.

#### The New Scheme

Set out in Appendix I to this circular are the principal terms of the New Scheme, under which the initial maximum number of Shares which may be allotted and issued upon exercise of all outstanding options granted and yet to be exercised under the New Scheme and any other schemes may represent up to 10% of the Shares in issue of the Company on the date of approval of the New Scheme by the Shareholders at the Annual General Meeting, which maximum number may however be refreshed as detailed in paragraph (3) of Appendix I to this circular.

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## LETTER FROM THE BOARD

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### **Conditions of the adoption of the New Scheme**

The adoption of the New Scheme is conditional upon (i) the termination of the Existing Scheme by an ordinary resolution at the Annual General Meeting; (ii) the approval of the New Scheme at the Annual General Meeting and the allotment and issue of the Shares which may fall to be allotted and issued upon the exercise of the option granted under the New Scheme; and (iii) the Listing Committee of the Hong Kong Stock Exchange granting approval of the listing of, and permission to deal in, the Shares which may fall to be allotted and issued upon the exercise of the option granted up to 10% of the Shares in issue as at the date of the Annual General Meeting under the New Scheme.

Application has been made to the Listing Committee of the Hong Kong Stock Exchange for the approval of the listing of, and permission to deal in, the Shares representing 10% of the issued share capital of the Company as at the date of Annual General Meeting which may fall to be allotted and issued upon the exercise of the options granted under the New Scheme.

### **Values of all options that can be granted under the New Scheme**

The Directors consider that it is not possible to state the value of all options that may be granted pursuant to the New Scheme as if they had been granted on Latest Practicable Date, because the calculation of the value of the options is based on a number of variables such as the exercise price, exercise period, interest rate, expected volatility and other relevant variables. As options have not been granted under the New Scheme, certain variables are not available for calculating the value of the options. The Directors believe that any calculation of the value of the options as at the Latest Practicable Date based on a great number of speculative assumptions would not be meaningful to the Shareholders.

The value of the options will be stated by the Directors in the letter(s) offering the options to the eligible participant(s) when options are to be granted under the New Scheme. The Company will use a generally accepted methodology as accepted by the Hong Kong Stock Exchange to calculate the value of the options.

### **ISSUE MANDATE**

At the Annual General Meeting, an ordinary resolution will be proposed that the Directors be given the Issue Mandate, i.e. a general and unconditional mandate to allot, issue and deal with new Shares up to 20% of the aggregate nominal share capital of the Company in issue as at the date of passing of the relevant resolution. As at the Latest Practicable Date, a total of 1,656,000,000 Shares were in issue. Subject to the passing of the proposed resolution granting the Issue Mandate to the Directors and on the basis that no Shares will be issued or repurchased by the Company prior to the Annual General Meeting, the Company will be allowed under the Issue Mandate to issue a maximum of 331,200,000 Shares.

### **REPURCHASE MANDATE AND EXTENSION MANDATE**

At the Annual General Meeting, an ordinary resolution will also be proposed to give the Directors the Repurchase Mandate, i.e. a general and unconditional mandate to exercise all powers of the Company to repurchase, on the Hong Kong Stock Exchange, or on any other stock exchange on which the Shares may be listed, Shares up to a maximum of 10% of the nominal share capital of the Company in issue as at the date of passing of the relevant resolution.



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## **LETTER FROM THE BOARD**

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In addition, an ordinary resolution regarding the Extension Mandate will be proposed at the Annual General Meeting providing that any Shares repurchased under the Repurchase Mandate (up to a maximum of 10% of the issued Shares as at the date of the grant of the Repurchase Mandate) will be added to the total number of Shares which may be allotted and issued under the Issue Mandate.

The Repurchase Mandate and the Issue Mandate would expire the earliest of: (a) at the conclusion of the next annual general meeting of the Company; or (b) at the end of the period within which the Company is required by the Companies Law or its articles of association to hold its next annual general meeting; or (c) when revoked or varied by ordinary resolutions of the Shareholders in a general meeting prior to the next annual general meeting of the Company.

Under the Listing Rules, the Company is required to give to all Shareholders all information which is reasonably necessary to enable Shareholders to make an informed decision as to whether to vote for or against the resolution in respect of the Repurchase Mandate at the Annual General Meeting. An explanatory statement for such purpose is set out in Appendix II to this circular.

### **ACTIONS TO BE TAKEN**

At the Annual General Meeting, ordinary resolutions will be proposed to approve, among other matters, the termination of the Existing Scheme, the adoption of the New Scheme and the grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate.

Whether or not you are able to attend the Annual General Meeting in person, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon as soon as possible and, in any event not later than 48 hours before the time for the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish.

### **BOOK CLOSURE**

Each of the registers of members of the Company maintained at the Cayman Principal Registrar and the Hong Kong Branch Registrar will be closed from 11th September, 2003 to 17th September, 2003 (both dates inclusive) for the purposes of determining entitlements to vote at the Annual General Meeting.

In order to qualify for exercising the voting rights of Shareholders at the Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Hong Kong Branch Registrar no later than 4:00 p.m. on 10th September, 2003.

### **RECOMMENDATION**

The Directors believe that the Proposal, the Issue Mandate, the Repurchase Mandate and the Extension Mandate are beneficial to the Company and the Shareholders as a whole. In particular, the performance targets (if any) and the subscription price set in accordance with the New Scheme will act as an incentive to the eligible participants of the New Scheme to contribute more for the benefits of the Company.

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## LETTER FROM THE BOARD

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The Directors believe that an exercise of the Issue Mandate will enable the Company to take advantage of market conditions to raise additional capital for the Company.

The Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such repurchases of Shares will benefit the Company and the Shareholders.

An exercise of the Repurchase Mandate in full may have a material adverse impact on the working capital and gearing position of the Company compared with that as at 31st March, 2003, being the date of its latest audited consolidated accounts. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.

Accordingly, the Directors recommend Shareholders to vote in favour of the ordinary resolutions approving the Proposal, the Issue Mandate, the Repurchase Mandate and the Extension Mandate at the Annual General Meeting.

### DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the office of Chiu & Partners at 41st Floor, Jardine House, 1 Connaught Place, Hong Kong during normal business hours on any business day from the date hereof up to and including the date of the Annual General Meeting:

- (i) the memorandum and articles of association of the Company; and
- (ii) the draft rules of the New Scheme.

### GENERAL INFORMATION

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

Yours faithfully  
By order of the Board  
**Veeko International Holdings Limited**  
**Cheng Chung Man, Johnny**  
*Chairman and Managing Director*

*Set out below is a summary of the principal terms and conditions of the New Scheme to provide sufficient information to the Shareholders for their consideration of the New Scheme proposed to be adopted at the Annual General Meeting.*

**(1) Purpose of the New Scheme**

The purpose of the New Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contribution to the Group. The Directors consider that the New Scheme, with its broadened basis of participation, will enable the Group to reward the employees, the Directors and other selected participants for their contributions to the Group. Given that the Directors are entitled to determine any performance target to be achieved as well as the minimum period that an option must be held before an option can be exercised on a case by case basis, and that the exercise price of an option cannot in any event fall below the price stipulated in the Listing Rules or such higher price as may be fixed by the Directors, it is expected that grantees of an option will make an effort to contribute to the development of the Group so as to bring about an increased market price of the Shares in order to capitalise on the benefits of the options granted.

**(2) Who may join**

The Directors may at their absolute discretion, invite any person belonging to any of the following classes of participants (the “Eligible Participants”) to take up options to subscribe for Shares:

- (a) any employee (whether full time or part time, including any executive director but excluding any non-executive director) of, or any individual for the time being seconded to work for, the Company, or any of its subsidiaries, or any entity (the “Invested Entity”) in which the Group holds an equity interest (the persons are collectively referred to as “Eligible Employees”);
- (b) any non-executive directors (including independent non-executive directors) of the Company, any of its subsidiaries or any Invested Entity;
- (c) any supplier of goods or services to any member of the Group or any Invested Entity;
- (d) any customer of the Group or any Invested Entity;
- (e) any person or entity that provides research, development or other technological support to the Group or any Invested Entity;
- (f) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;
- (g) any adviser (professional or otherwise) or consultant to the Group relating to business development of the Group or any member of the Group or any Invested Entity; and
- (h) any joint venture partner or business alliance of the Group who have contributed or may contribute to the development and growth of the Group,

and, for the purposes of the New Scheme, the options may be granted to any company wholly owned by one or more persons belonging to any of the above classes of participants. For the avoidance of doubt, the grant of any options by the Company for the subscription of Shares or other securities of the Group to any person who falls within any of the above classes of participants shall not, by itself, unless the Directors otherwise determine, be construed as a grant of option under the New Scheme.

The basis of eligibility of any of the above class of participants to the grant of any option shall be determined by the Directors from time to time on the basis of the Directors' opinion as to his contribution to the development and growth of the Group.

**(3) Maximum number of Shares**

- (a) The maximum number of Shares to be allotted and issued upon exercise of all outstanding options granted and yet to be exercised under the New Scheme and any other share option scheme of the Group must not in aggregate exceed 30% of the issued share capital of the Company from time to time.
- (b) The total number of Shares which may be allotted and issued upon exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the New Scheme and any other share option schemes of the Group) to be granted under the New Scheme and any other share option scheme of the Group must not in aggregate exceed 10% of the Shares in issue as at the date of passing the relevant resolution adopting the New Scheme (the "General Scheme Limit").
- (c) Subject to sub-paragraph (a) of this paragraph (3) above but without prejudice to sub-paragraph (d) of this paragraph (3) below, the Company may issue a circular to the Shareholders and seek approval of the Shareholders in general meeting to refresh the General Scheme Limit provided that the total number of Shares which may be allotted and issued upon exercise of all options to be granted under the New Scheme and any other share option schemes of the Group must not exceed 10% of the Shares in issue as at the date of approval of the limit and for the purpose of calculating the limit, options (including those outstanding, cancelled, lapsed or exercised in accordance with the New Scheme and any other share option schemes of the Group) previously granted under the New Scheme and any other share option schemes of the Group will not be counted. The circular sent by the Company to the Shareholders shall contain, among other information, the information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules.
- (d) Subject to sub-paragraph (a) of this paragraph (3) above and without prejudice to sub-paragraph (c) of this paragraph (3) above, the Company may seek separate Shareholders' approval in general meeting to grant options beyond the General Scheme Limit or, if applicable, the limit referred to in (c) above to participants specifically identified by the Company before such approval is sought. In such event, the Company must send a circular to the Shareholders containing a general description of the specified participants, the number

and terms of options to be granted, the purpose of granting options to the specified participants with an explanation as to how the terms of the options serve such purpose and such other information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules.

**(4) Maximum entitlement of each participant**

The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the New Scheme and any other share option scheme of the Group (including both exercised or outstanding options) to each participant in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being (the “Individual Limit”). Any further grant of options, which would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options), in any 12-month period up to and including the date of such further grant in excess of the Individual Limit shall be subject to the issue of the circular to the Shareholders and the Shareholders’ approval in general meeting of the Company with such participant and his Associates abstaining from voting. The number and terms (including the exercise price) of options to be granted to such participant must be fixed before Shareholders’ approval and the date of board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the exercise price under note (1) to Rule 17.03(9) of the Listing Rules.

**(5) Grant of options to certain connected persons**

- (a) Any grant of options under the New Scheme to a Director, chief executive or substantial shareholder of the Company or any of their respective Associates must be approved by independent non-executive Directors (excluding any independent non-executive Director who is also the grantee of the options).
- (b) Where any grant of options to a substantial Shareholder or an independent non-executive Director, or any of their respective Associates, would result in the Shares issued and to be allotted and issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:
  - (aa) representing in aggregate over 0.1% of the Shares in issue; and
  - (bb) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million;

such further grant of options must be approved by the Shareholders in general meeting. The Company must send a circular to the Shareholders. All connected persons of the Company must abstain from voting at such general meeting, except that any connected person may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular. Any vote taken at the meeting to approve the grant of such options must be taken on a poll.

**(6) Time of acceptance and exercise of option**

An option may be accepted by a participant within 21 days from the date of the offer for grant of the option.

An option may be exercised in accordance with the terms of the New Scheme at any time during a period to be determined and notified by the Directors to each grantee, which period may commence on a day after the date upon which the offer for the grant of options is made but shall end in any event not later than 10 years from the date of grant of the option subject to the provisions for early termination thereof. Unless otherwise determined by the Directors and stated in the offer for the grant of options to grantees, there is no minimum period required under the New Scheme for the holding of an option before it can be exercised.

**(7) Performance targets**

Unless the Directors otherwise determine and state in the offer of the grant of options to a grantee, a grantee is not required to achieve any performance targets before any options granted under the New Scheme can be exercised.

**(8) Subscription price for Shares and consideration for the option**

The subscription price for Shares under the New Scheme will be a price determined by the Directors, but shall not be less than the highest of (i) the closing price of Shares as stated in the Hong Kong Stock Exchange's daily quotations sheet on the date of the offer of grant, which must be a business day; (ii) the average closing price of Shares as stated in the Hong Kong Stock Exchange's daily quotations sheet for five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of the Shares.

A nominal consideration of HK\$1 is payable on acceptance of the grant of an option.

**(9) Ranking of Shares**

- (a) Shares allotted upon the exercise of an option will be subject to all the provisions of the Companies Law and the articles of association of the Company and will rank *pari passu* in all respects with the fully paid Shares in issue on the date on which the option is duly exercised or, if that date falls on a day when the register of members of the Company is closed, the first day of the reopening of the register of members (the "Exercise Date") and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or made on or after the Exercise Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the Exercise Date. A Share allotted and issued upon the exercise of an option shall not carry voting rights until the completion of the registration of the grantee on the register of members of the Company as the holder thereof.

- (b) Unless the context otherwise requires, references to “Shares” in this paragraph include references to shares in the ordinary equity share capital of the Company of such nominal amount as shall result from a sub-division, consolidation, re-classification or reduction of the share capital of the Company from time to time.

**(10) Restrictions on the time of grant of options**

- (a) No offer for the grant of options shall be made after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision until such price sensitive information has been published in the newspapers. In particular, during the period commencing one month immediately preceding the earlier of (i) the date of the meeting of the Directors for the approval of the Company’s interim or annual results, and (ii) the last date on which the Company must publish its interim or annual results announcement under its listing agreement, and ending on the date of the announcement of the results, no option may be granted.
- (b) The Directors may not grant any option to a participant who is a Director during the periods or times in which the Directors are prohibited from dealing in Shares pursuant to the Model Code for Securities Transactions by Directors of Listed Companies prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company.

**(11) Period of the New Scheme**

The New Scheme will remain in force for a period of 10 years commencing on the date on which the New Scheme is adopted.

**(12) Rights on ceasing employment**

If the grantee of an option is an Eligible Employee and ceases to be an Eligible Employee for any reason other than death, ill-health or retirement in accordance with his contract of employment or for serious misconduct or other grounds referred to in sub-paragraph (14) below before exercising his option in full, the option (to the extent not already exercised) will lapse on the date of cessation and will not be exercisable unless the Directors otherwise determine in which event the grantee may exercise the option (to the extent not already exercised) in whole or in part within such period as the Directors may determine following the date of such cessation, which will be taken to be the last day on which the grantee was at work with the Group or the Invested Entity whether salary is paid in lieu of notice or not.

**(13) Rights on death, ill-health or retirement**

If the grantee of an option is an Eligible Employee and ceases to be an Eligible Employee by reason of his death, ill-health or retirement in accordance with his contract of employment before exercising the option in full, his personal representative(s), or, as appropriate, the grantee may exercise the option (to the extent not already exercised) in whole or in part within a period of 12 months following the date of cessation, which date shall be the last day on which the grantee was at work with the Group or the Invested Entity, whether salary is paid in lieu of notice or not or such longer period as the Directors may determine.

**(14) Rights on dismissal**

If the grantee of an option is an Eligible Employee and ceases to be an Eligible Employee by reason that he has been guilty of serious misconduct or has committed any act of bankruptcy or has become insolvent or has made any arrangements or composition with his creditors generally, or has been convicted of any criminal offence (other than an offence which in the opinion of the Directors does not bring the grantee or the Group or the Invested Entity into disrepute), his option will lapse automatically and will not in any event be exercisable on or after the date of cessation to be an Eligible Employee.

**(15) Rights on breach of contract**

If the Directors shall at their absolute discretion determine that (a) (i) the grantee of any option (other than an Eligible Employee) or his Associate has committed any breach of any contract entered into between the grantee or his Associate on the one part and the Group or any Invested Entity on the other part, or (ii) that the grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his creditors generally; or (iii) the grantee could no longer make any contribution to the growth and development of the Group by reason of the cessation of its relations with the Group or by other reason whatsoever; and (b) the option granted to the grantee under the New Scheme shall lapse as a result of any event specified in sub-paragraph (a) (i), (ii) or (iii) of this paragraph (15) above, his option will lapse automatically and will not in any event be exercisable on or after the date on which the Directors have so determined.

**(16) Rights on a general offer, a compromise or arrangement**

If a general or partial offer, whether by way of take-over offer, share re-purchase offer, or scheme of arrangement or otherwise in like manner is made to all the Shareholders, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, the Company shall use all reasonable endeavours to procure that such offer is extended to all the grantees on the same terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the options granted to them, the Shareholders. If such offer becomes or is declared unconditional, a grantee shall be entitled to exercise his option (to the extent not already exercised) to its full extent or to the extent specified in the grantee's notice to the Company in exercise of his option at any time before the close of such offer (or any revised offer) or the record date for entitlements under such scheme of arrangement, as the case may be.

**(17) Rights on winding up**

In the event of a resolution being proposed for the voluntary winding-up of the Company during the option period, the grantee may, subject to the provisions of all applicable laws, by notice in writing to the Company at any time not less than two (2) business days before the date on which such resolution is to be considered and/or passed, exercise his option (to the extent not already exercised) either to its full extent or to the extent specified in such notice in accordance with the provisions of the New Scheme and the Company shall allot and issue to the grantee the Shares in respect of which such grantee has exercised his option not less than one (1) business day before the date on which such resolution is to be considered and/or passed whereupon he shall accordingly be entitled, in respect of the Shares allotted



and issued to him in the aforesaid manner, to participate in the distribution of the assets of the Company available in liquidation *pari passu* with the Shares in issue on the day prior to the date of such resolution. Subject thereto, all options then outstanding shall lapse and determine on the commencement of the winding-up.

**(18) Grantee being a company wholly owned by eligible participants**

If the grantee is a company wholly owned by one or more eligible participants:

- (a) paragraphs (12), (13), (14) and (15) shall apply to the grantee and to the options to such grantee, *mutatis mutandis*, as if such options had been granted to the relevant eligible participant, and such options shall accordingly lapse or fall to be exercisable after the event(s) referred to in paragraphs (12), (13), (14) and (15) shall occur with respect to the relevant eligible participant; and
- (b) the options granted to the grantee shall lapse and determine on the date the grantee ceases to be wholly owned by the relevant eligible participant provided that the Directors may in their absolute discretion decide that such options or any part thereof shall not so lapse or determine subject to such conditions or limitations as they may impose.

**(19) Adjustments to the subscription price**

In the event of a capitalisation issue, rights issue, sub-division or consolidation of Shares or reduction of capital of the Company whilst an option remains exercisable, such corresponding alterations (if any) certified by the auditors for the time being of or an independent financial adviser to the Company as fair and reasonable will be made to the number or nominal amount of Shares, the subject matter of the New Scheme and the option so far as unexercised and/or the option price of the option concerned, provided that (a) any adjustments shall give a grantee the same proportion of the issued share capital to which he was entitled prior to such alteration; (b) the issue of Shares or other securities of the Group as consideration in a transaction may not be regarded as a circumstance requiring adjustment; and (c) no alteration shall be made the effect of which would be to enable a Share to be issued at less than its nominal value. In addition, in respect of any such adjustments, other than any adjustment made on a capitalisation issue, such auditors or independent financial adviser must confirm to the Directors in writing that the adjustments satisfy the requirements of the relevant provision of the Listing Rules.

**(20) Cancellation of options**

Any cancellation of options granted but not exercised must be subject to the consent of the relevant grantee and the approval of the Directors. Where the Company cancels any option granted to a grantee but not exercised and issues new option(s) to the same grantee, the issue of such new option(s) may only be made with available unissued options (excluding, for this purpose, the options so cancelled) within the General Scheme Limit or the limits approved by the Shareholders in general meeting pursuant to sub-paragraph (c) or (d) of paragraph (3) above.

**(21) Termination of the New Scheme**

The Company may by resolution in general meeting at any time terminate the New Scheme and in such event no further options shall be offered but in all other respects the provisions of the New Scheme shall remain in force to the extent necessary to give effect to the exercise of any options (to the extent not already exercised) granted prior to the termination or otherwise as may be required in accordance with the provisions of the New Scheme. Options (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with the New Scheme.

**(22) Rights are personal to the grantee**

An option is personal to the grantee and shall not be transferable or assignable. The grantee shall not sell, transfer, mortgage, encumber or in any way create any interest in any option granted. Any breach of the foregoing will entitle the Company to cancel any outstanding option or any part thereof granted to the grantee in breach without incurring any liability on the part of the Company.

**(23) Lapse of option**

An option shall lapse automatically (to the extent not already exercised) on the earliest of:

- (a) the expiry of the period referred to in paragraph (6); and
- (b) the expiry of the periods or dates referred to in paragraph (12), (13), (14), (15), (17) and (18).

**(24) Miscellaneous**

- (a) The New Scheme is conditional on (i) the Shareholders approving its adoption at the Annual General Meeting; and (ii) the Listing Committee of the Hong Kong Stock Exchange granting the listing of, and permission to deal in, such number of Shares, representing the General Scheme Limit, which may fall to be allotted and issued by the Company pursuant to the exercise of the options which may be granted under the New Scheme.
- (b) The terms and conditions of the New Scheme relating to the matters set out in rule 17.03 of the Listing Rules shall not be altered to the advantage of grantees of the options except with the approval of the Shareholders in general meeting.
- (c) Any alterations to the terms and conditions of the New Scheme which are of a material nature or any change to the terms of options granted must be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the New Scheme.
- (d) The amended terms of the New Scheme or the options must still comply with the relevant requirements of Chapter 17 of the Listing Rules.

- (e) Any change to the authority of the Directors or the scheme administrators in relation to any alteration to the terms of the New Scheme shall be approved by the Shareholders in general meeting.

**(25) Present status of the New Scheme**

Application has been made to the Listing Committee of the Hong Kong Stock Exchange for the listing of, and permission to deal in, such number of Shares, representing the General Scheme Limit, which may fall to be allotted and issued by the Company pursuant to the exercise of any options which may be granted under the New Scheme.

*This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information as to the proposed Repurchase Mandate.*

### **1. Listing Rules relating to the repurchase of shares**

The Listing Rules permit companies whose primary listing is on the Main Board of the Hong Kong Stock Exchange to repurchase their shares on the Main Board of the Hong Kong Stock Exchange and any other stock exchange on which the securities of the company are listed and such exchange is recognised by the Hong Kong Securities and Futures Commission subject to certain restrictions. Among such restrictions, the Listing Rules provide that the shares of such a company must be fully paid up and all repurchase of shares by such a company must be approved in advance by an ordinary resolution of shareholders, either by way of a general repurchase mandate or by specific approval of a particular transaction.

### **2. Share capital**

As at Latest Practicable Date, there was a total of 1,656,000,000 Shares in issue.

Subject to the passing of the proposed resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, the Company will be allowed under Repurchase Mandate to repurchase a maximum of 165,600,000 Shares.

### **3. Reasons for the repurchase**

The Directors believe that the Repurchase Mandate is in the best interests of the Company and its Shareholders to seek a general authority from the Shareholders to enable the Company to repurchase its Shares on the Main Board of the Hong Kong Stock Exchange or on stock exchange on which the Shares are listed. Share repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset per Share and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and its shareholders.

### **4. Funding of repurchases**

Repurchase made pursuant to the Repurchase Mandate would be funded out of funds legally available for the purpose in accordance with the Company's memorandum and articles of association and the Companies Law and other applicable laws of the Cayman Islands. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Under the Companies Law, repurchases by the Company may only be made out of profits of the Company or out of the proceeds of a fresh issue of shares made for the purpose, or, if so authorised by its articles of association and subject to the provisions of the Companies Law, out of capital. Any premium payable on a redemption or purchase over the par value of the shares to be purchased must be provided for out of profits of the Company or out of the Company's share premium account, or, if so authorised by its articles of association and subject to the provisions of the Companies Law, out of capital.

Taking into account the current working capital position of the Company, the Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of the Company as compared with the position as at 31st March, 2003, being the date of its latest audited consolidated financial statement. However, the Directors do not intend to make any repurchases to such an extent as would, in circumstances, have a material adverse effect on the working capital requirements or the gearing position of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

## 5. Share prices

The highest and lowest prices at which the Shares have been traded on the Hong Kong Stock Exchange in each of the 12 calendar months immediately preceding the Latest Practicable Date are as follows:

	<b>Highest</b>	<b>Lowest</b>
	<i>HK\$</i>	<i>HK\$</i>
July 2002	0.152	0.098
August 2002	0.109	0.1
September 2002	0.1	0.06
October 2002	0.079	0.059
November 2002	0.085	0.075
December 2002	0.115	0.083
January 2003	0.102	0.095
February 2003	_*	_*
March 2003	0.095	0.095
April 2003	0.09	0.05
May 2003	0.078	0.072
June 2003	0.09	0.08

\* There was no transaction of shares for the month.

## 6. The Takeovers Code and minimum public holding

If a shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase securities pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of Rule 32 of the Hong Kong Code on Takeovers and Mergers ("Takeovers Code"). As a result, a shareholder or group of shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, according to the register of members kept by the Company pursuant to section 336 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and so far as is known to, or can be ascertained after reasonable enquiry by the Directors, Silver Crown Profits Limited, who held approximately 60.03% of the issued share capital of the Company, was the only substantial shareholder holding more than 10% of the issued share capital of the Company.

Assuming that Silver Crown Profits Limited does not dispose of its Shares nor acquires additional Shares, if the Repurchase Mandate were exercised in full, the percentage shareholding of Silver Crown Profits Limited in the Company would be increased to approximately 66.7% of the issued share capital of the Company.

On the basis of the shareholding held by Silver Crown Profits Limited set out above, Silver Crown Profits Limited will not be obligated to make a mandatory offer under Rule 26 of the Takeovers Code if the Repurchase Mandate is exercised in full. The Directors have no intention to exercise the Repurchase Mandate to such an extent that will result in the number of Shares in the hands of public falling below the prescribed minimum percentage of 25 per cent.

#### **7. Share repurchase made by the Company**

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

#### **8. General**

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their Associates have 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 Hong Kong Stock Exchange that they will only exercise the power of the Company to make repurchase pursuant to the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Cayman Islands.

No connected person of the Company has notified the Company that he has a present intention to sell any securities to the Company nor has any such connected person undertaken not to sell any of the securities held by him to the Company in the event that the Repurchase Mandate is granted.

# Veeko®

## VEEKO INTERNATIONAL HOLDINGS LIMITED

威高國際控股有限公司

*(incorporated in the Cayman Islands with limited liability)*

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the annual general meeting of VEEKO INTERNATIONAL HOLDINGS LIMITED (the “Company”) will be held at 10:30 a.m. on 17th September, 2003 at 10th Floor, Wyler Centre Phase II, 192-200 Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong for the following purposes:

#### AS ORDINARY BUSINESS

1. to receive and consider the audited financial statements and the reports of the directors of the Company and the Company’s auditors for the year ended 31st March, 2003;
2. to approve the declaration of a final dividend of HK0.57 cent per share of HK\$0.01 each in the Company for the year ended 31st March, 2003;
3. to re-elect the retiring directors and to authorise the board of directors to fix the remuneration of directors;
4. to re-appoint the Company’s auditors and to authorise the board of directors to fix their remuneration;

#### AS SPECIAL BUSINESS

and to consider and, if thought fit, pass the following resolutions as ordinary resolutions:

5. “**THAT** with effect from the close of business of the day on which this resolution is passed, the existing share option scheme (the “Existing Scheme”) adopted by the Company pursuant to an ordinary resolution in writing passed by all shareholders of the Company on 23rd March, 1999 (a copy of the Existing Scheme having been produced to the meeting marked “A” and signed by the chairman of the meeting for the purpose of identification) be and it is hereby terminated and cease to have with any further effect save and except that the Existing Scheme will remain in force to the extent necessary to give effect to the exercise of the options granted thereunder prior to termination thereof.”
6. “**THAT** subject to the passing of resolution numbered 5 and subject also to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) granting the listing of, and permission to deal in, such number of shares of the Company which may fall to be allotted and issued pursuant to the exercise of the option which may be granted under the rules of the new share option scheme (“New Scheme”), a

draft of which is produced to the meeting marked “B” and signed by the chairman of the meeting for the purposes of identification, representing an amount (“General Scheme Limit”) up to 10 per cent. of the issued shares of the Company as at the day on which this resolution is passed, with effect from the close of business of the day on which this resolution is passed, the rules of the New Scheme be approved and adopted and the directors of the Company be and they are hereby authorised: (a) to approve any amendments to the rules of the New Scheme as may be acceptable or not objected to by the Stock Exchange; (b) at their absolute discretion to grant options to subscribe for shares of the Company in accordance with the rules of the New Scheme; (c) to allot, issue and deal with shares of the Company pursuant to the exercise of options granted under the New Scheme provided that the aggregate nominal amount of shares which fall to be allotted and issued pursuant to this authority, together with any issue of shares of the Company upon the exercise of any options granted under any other share option scheme as may from time to time adopted by the Company or its subsidiaries, shall not exceed the General Scheme Limit; and (d) to take all such steps as may be necessary, desirable or expedient to carry into effect the New Scheme.”

7. **“THAT:**

- (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with the unissued shares (each, a “Share”) of HK\$0.01 each in the capital of the Company and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period (as defined in paragraph (d) below) to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to options or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue; or (ii) the exercise of any options granted under all share option schemes of the Company adopted from time to time in accordance with the Listing Rules; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares shall not exceed the aggregate of:
  - (aa) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution; and



(bb) (if the directors of the Company are so authorised by a separate ordinary resolution of the shareholders of the Company) the aggregate nominal amount of any share capital of the Company purchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution),

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

(d) for the purposes of this resolution:

“Relevant Period” means the period from the date of 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 articles of association of the Company or the applicable law of the Cayman Islands to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution;

“Rights Issue” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the directors of the Company to holders of Shares on the Company’s register of members on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

8. **“THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period of all powers of the Company to purchase shares (each, a “Share”) of HK\$0.01 each in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission of Hong

Kong, the Stock Exchange, the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;

- (b) the aggregate nominal amount of Shares which may be purchased or agreed to be purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period (as defined in paragraph (c) below) shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
  - (c) for the purposes of this resolution, "Relevant Period" means the period from the date of 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 articles of association of the Company or the applicable law of the Cayman Islands to be held; and
    - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution."
9. "THAT conditional on the passing of resolutions numbered 7 and 8 above, the general mandate granted to the directors of the Company pursuant to paragraph (a) of resolution numbered 8 above be and it is hereby extended by the addition to the aggregate nominal amount of the shares which may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to or in accordance with such general mandate of an amount representing the aggregate nominal amount of the share capital of the Company purchased or agreed to be repurchased by the Company pursuant to or in accordance with the authority granted under paragraph (a) of resolution numbered 8 above."

By order of the Board  
**Veeko International Holdings Limited**  
**Wong Chi Ying**  
*Company Secretary*

Hong Kong, 21st July 2003

*Principal Office in Hong Kong:*

10th Floor, Wyler Centre Phase II  
192-200, Tai Lin Pai Road  
Kwai Chung, New Territories  
Hong Kong

*Notes:*

1. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the articles of association of the Company, vote in his stead. A proxy need not be a member of the Company.
2. 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 of such power or authority must be deposited at the offices of the Company's Hong Kong branch share registrar, Secretaries Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not later than 48 hours before the time of the meeting or any adjourned meeting.
3. The register of members will be closed from 11th September, 2003 to 17th September, 2003 (both days inclusive) during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificate must be lodged with the Company's Hong Kong branch share registrar, Secretaries Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not later than 4:00 pm on 10th September, 2003 for registration.
4. In relation to proposed resolution numbered 3 above, Mr. Cheng Chung Hoo will retire from his office of director at the above meeting pursuant to the Company's articles of association and, being eligible, offer himself for re-election.
5. In relation to proposed resolutions numbered 7 and 9 above, approval is being sought from the shareholders for the grant to the directors of a general mandate to authorise the allotment and issue of shares under the Listing Rules. The directors have no immediate plans to issue any new shares of the Company other than shares which may fall to be issued under the share option scheme of the Company or any scrip dividend scheme which may be approved by shareholders.
6. In relation to proposed resolution numbered 8 above, the directors wish to state that they will exercise the powers conferred thereby to purchase shares in circumstances which they deem appropriate for the benefit of the shareholders.