

If you are in doubt about this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitors, professional accountant or other professional adviser.

If you have sold all your Shares in TCL INTERNATIONAL HOLDINGS LIMITED (the "Company"), you should at once hand this circular and proxy form enclosed herein to the purchaser or to the bank or stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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.



TCL
TCL INTERNATIONAL HOLDINGS LIMITED

TCL 國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1070)

CIRCULAR ON
ADOPTION OF NEW ARTICLES OF ASSOCIATION
AND
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

A notice convening the Annual General Meeting and a form of proxy for use at the Annual General Meeting is enclosed herein. Whether or not you are able to attend the meeting, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tengis Limited, at G/F, BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed 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 meeting should you so wish.

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE CHAIRMAN	3
APPENDIX I — SUMMARY OF THE MAJOR DIFFERENCES BETWEEN THE NEW ARTICLES AND THE EXISTING ARTICLES	7
APPENDIX II — EXPLANATORY STATEMENT ON REPURCHASE OF THE COMPANY'S SHARES	9
APPENDIX III — DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED AND ELECTED AT THE ANNUAL GENERAL MEETING	12
NOTICE OF ANNUAL GENERAL MEETING	15

DEFINITIONS

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

“Associate”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Company”	TCL International Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Director(s)”	the director(s) of the Company
“Existing Articles”	the existing articles of association of the Company adopted by the Shareholders by a special resolution dated 4 November 2003
“General Extension Mandate”	a general mandate to the Directors to add to the General Issue Mandate any Shares representing the aggregate nominal value of the Shares repurchased under the Repurchase Mandate
“General Issue Mandate”	a general mandate to allot and issue the Shares with an aggregate nominal value not exceeding 20 per cent. of the aggregate nominal value of the share capital of the Company in issue at the date of approval of the mandate
“Group”	the Company and its Subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	15 April 2004, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to herein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“New Articles”	the new articles of association of the Company proposed to be adopted by the Shareholders at the AGM, the major differences between the New Articles and the Existing Articles are set out in Appendix I to this circular
“Repurchase Mandate”	a general mandate to the Directors to exercise all the powers of the Company to repurchase Shares with an aggregate nominal value not exceeding 10 per cent. of the aggregate nominal value of the share capital of the Company in issue at the date of approval of the mandate
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company

DEFINITIONS

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary”	has the meaning attributed thereto under section 2 of Companies Ordinance (Cap. 32, Laws of Hong Kong)
“Takeover Code”	Hong Kong Code on Takeovers and Mergers
“TCL Corporation”	TCL Corporation (TCL集團股份有限公司), a joint stock company incorporated under the laws of the PRC, the shares of which are listed on the Shenzhen Stock Exchange and is the ultimate controlling shareholder of the Company
“\$” and “cents”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong



TCL

TCL INTERNATIONAL HOLDINGS LIMITED

TCL 國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1070)

Executive Directors:

Li Dong Sheng, Tomson (*Chairman*)

Yuan Xin Cheng (*Vice Chairman*)

Lu Zhong Li

Hu Qiu Sheng

Yan Yong (*Managing Director*)

Suen Hay Wai

Registered office:

Ugland House

South Church Street

P.O. Box 309

George Town

Grand Cayman

Cayman Islands

British West Indies

Independent Non-executive Directors:

Hon Fong Ming

Albert Thomas da Rosa, Junior

Head Office and Principal Place of Business

in Hong Kong

13/F., TCL Tower

8 Tai Chung Road

Tsuen Wan

New Territories

19 April 2004

To: the Shareholders

Dear Sir or Madam,

**ADOPTION OF NEW ARTICLES OF ASSOCIATION
AND
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES**

1. INTRODUCTION

The purpose of this circular is to provide you with information regarding the following resolutions to be proposed at the AGM relating to:

- (a) adoption of the new articles of association of the Company;
- (b) granting to the Directors the General Issue Mandate;
- (c) granting to the Directors the Repurchase Mandate; and
- (d) granting to the Directors a general extension mandate to extend the General Issue Mandate to include Shares repurchased under the Repurchase Mandate.

LETTER FROM THE CHAIRMAN

2. ADOPTION OF THE NEW ARTICLES OF ASSOCIATION

The Directors wish to amend the Existing Articles. The purposes of the amendments are to keep the articles of association of the Company in compliance with the new Listing Rules which are effective on 31 March 2004. In essence, amendments will be made to the articles of association of the Company to comply with the following requirements under the new Listing Rules:

- (a) Shareholders may by notice to a company nominate candidate to be elected as a director at general meeting and the shareholders have a minimum of seven days for lodgment of the notice. Under the new Listing Rules, the minimum seven-day period for lodgment nomination notice shall commence no earlier than the day after the despatch of the notice of the meeting appointed for such election and end no later than seven days before the date of such meeting.
- (b) Directors shall abstain from voting at the board meeting on any matter in which any of his Associates has a material interest and are not to be counted towards the quorum of the relevant board meeting.
- (c) 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.

In view of the amount of amendments involved, the Directors consider that it is in the interest of the Shareholders to have the New Articles adopted in substitution for the Existing Articles instead of making piecemeal amendments to the Existing Articles. Accordingly, the Directors propose a special resolution at the AGM to adopt the New Articles.

A summary of the major differences between the New Articles and the Existing Articles is set out in Appendix I to this circular.

A copy of the New Articles proposed to be adopted at the AGM is available for inspection during the normal business hours at the head office and principal place of business of the Company at 13th Floor, TCL Tower, 8 Tai Chung Road, Tsuen Wan, New Territories, Hong Kong from the date of this circular up to and including the date of the AGM and at the AGM.

3. GENERAL ISSUE MANDATE

It is proposed that the General Issue Mandate be granted to the Directors to issue further Shares prevailing up to 20 per cent. of the aggregate nominal amount of Shares in issue as at the date of passing the relevant resolution. There is however no present intention for any issuance of Shares pursuant to the General Issue Mandate to be granted.

4. GENERAL MANDATE TO REPURCHASE SHARES

On 12 May 2003, a general mandate was given to the Directors to exercise all the powers of the Company to repurchase its own Shares which will lapse at the conclusion of the forthcoming AGM. An ordinary resolution will therefore be proposed at the AGM to approve the grant of the Repurchase Mandate to the Directors to repurchase on the Stock Exchange Shares up to a maximum of 10% of the issued share capital of the Company at the date of passing the relevant resolution.

LETTER FROM THE CHAIRMAN

An explanatory statement to provide Shareholders with all the information reasonably necessary for them to make an informed decision in relation to this proposed resolution as required by the Listing Rules concerning the regulation of repurchases by companies of their own securities on the Stock Exchange is set out in the Appendix II to this circular.

5. GENERAL EXTENSION MANDATE

It is recommended that the General Extension Mandate be granted to the Directors permitting them, after the grant of the Repurchase Mandate referred to above, to add to the General Issue Mandate any Shares representing the aggregate nominal value of the Shares repurchased pursuant to the Repurchase Mandate.

The authority conferred on the Directors by the General Issue Mandate, the Repurchase Mandate and the General Extension Mandate would continue in force until the conclusion of the next annual general meeting of the Company or the expiry date for the holding of the next annual general meeting unless it is renewed at such meeting or until revoked or varied by ordinary resolution of the Shareholders in general meeting prior to the next annual general meeting.

6. ANNUAL GENERAL MEETING

A notice convening the AGM to be held on 18 May 2004 is set out on pages 15 to 18 of this circular and a form of proxy for use at the AGM is herein enclosed.

Whether or not you intend to be present at the AGM, you are requested to complete the form of proxy and return it to the Company's branch share registrars, Tengis Limited at G/F, BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong in accordance with the instructions printed thereon not later than 48 hours before the time for holding the AGM. Completion and delivery of the form of proxy will not prevent Shareholders from attending and voting at the AGM if they so wish.

Pursuant to Article 80 of the Existing Articles, at any general meeting a poll may be demanded in respect of a resolution put to the vote at the meeting by:

- (a) the chairman of meeting; or
- (b) at least five members present in person or by proxy and entitled to vote; or
- (c) any 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 in the aggregate 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) any 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 conferring a right to attend and vote at the meeting on which there have been paid up sums on the aggregate equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

LETTER FROM THE CHAIRMAN

7. RECOMMENDATION

The Directors consider that resolutions as proposed in this circular are in the best interests of the Company and Shareholders and accordingly recommend that you should vote in favour of the resolutions referred to above to be proposed at the AGM.

Yours faithfully,
Li Dong Sheng, Tomson
Chairman

The following is a summary of the major differences between the New Articles and the Existing Articles:

1. Article 2 (Interpretation)

The definition of “Associate” is amended to include:

- (a) any company controlled by a trustee (of trust which any director or his family interest is a beneficiary) having 30% or more of the voting power at general meeting, or control over the composition of a majority of the board of directors (the “trustee-controlled company”) and any subsidiary of such company; and
- (b) a holding company of a trustee-controlled company or a subsidiary of any such holding company.

2. Article 73 (Notice of meetings)

For counting the prescribed period of notice for convening general meeting, the day on which such notice is given is now counted.

3. Article 80 (Right to demand a poll etc)

Where the Listing Rules requires any matter to be voted by shareholder by a poll, a poll to vote on a resolution for such matter is mandatory.

4. Article 85 (Votes of Members)

A sub-article 85(b) is added to the effect that where the Listing Rules requires any shareholder to abstain from voting for or against any particular resolution, his vote cast in contravention of such requirement shall not be counted.

5. Article 107(c) (Directors may not vote where he has a material interest)

- (a) Article 107(c) provides that a Director may not vote at board meeting in relation to any contract or arrangement or any other proposal where he has a material interest.
- (b) The article is amended to the effect that the interest of any Associates (as defined in amended Article 2) of such Director shall also be included for determining whether such Director could vote on the relevant matter.
- (c) The provisos to the general prohibition under Article 107(c) are amended to the effect that the exceptions under Articles 107(c)(i) to (iv) shall be extended to Associates of such Director.
- (d) The definition of “Associates” under Articles 107(f) is deleted and replaced by the corresponding definition in Article 2.

6. Article 120 (Notice to be given when person proposed for election)

Article 120 provides that the Shareholders may by notice to the Company nominate candidate to be elected as a Director at general meeting and the Shareholders have a minimum of seven days for lodgment of the notice. The article is amended to the effect that the minimum seven-day period for lodgment of the nomination notice shall commence no earlier than the day after the despatch of the notice of the meeting appointed for such election and end no later than seven days before the date of such meeting.

This explanatory statement contains all the information required pursuant to rule 10.06(1)(b) and other relevant provisions of the Listing Rules.

1. THE SHARE REPURCHASE RULES

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their fully-paid up Shares on the Stock Exchange subject to certain restrictions. In this regard, the definition of "Shares" in the Listing Rules would, and where used below in this explanatory statement (including the use of the word "Share") shall (unless the context otherwise requires) include shares of all classes and securities which carry a right to subscribe or purchase shares of the Company. The most important restrictions contained in the Listing Rules are summarised below:

1.1. Source of Funds

Repurchases must be funded entirely from the Company's available cash flow or working capital facilities, which will be funds legally available for the purchase in accordance with the articles of association of the Company and the applicable laws of Hong Kong and the Cayman Islands.

1.2. Exercise of the Repurchase Mandate

Exercise in full of the Repurchase Mandate, on the basis of 2,732,891,631 Shares of the Company in issue as at the Latest Practicable Date and on the basis that no new Shares are issued or repurchased prior to the date of the resolution approving the Repurchase Mandate could accordingly result in up to 273,289,163 Shares (representing 10% of the issued share capital of the Company as at the date of approval of the Repurchase Mandate by the Shareholders) being repurchased by the Company during the course of the period from the date of resolution granting the Repurchase Mandate until the earlier of the conclusion of the first annual general meeting of the Company following the passing of the said resolution or the revocation or variation of the existing repurchase mandate by Shareholders in general meeting.

1.3. Reasons for Repurchases

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

1.4. Funding of Repurchases

In repurchasing its Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum and articles of association and the laws of the Cayman Islands. It is envisaged that the Company would derive the funds from its distributable profits for the repurchases.

As compared with the position as disclosed in the Company's most recent published audited accounts for the year ended 31 December 2003, and taking into account the current working capital position of the Company, the Directors consider that no material adverse effect on the working capital and gearing position of the Company may result in the event that the Repurchase Mandate was to be exercised in full in the period before the Repurchase Mandate expires. The Directors however do not propose to exercise the Repurchase 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.

2. GENERAL

None of the Directors, and to the best of their knowledge having made all reasonable enquiries, any associates (as defined in the Listing Rules) of any Director, have any present intention in the event that the Repurchase Mandate is approved by Shareholders to sell any of the Shares to the Company.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

If, as a result of a Share repurchase, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeover Code. In certain circumstances, a Shareholder or a group of Shareholders acting in concert could as a result of increase of its or their interest, obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeover Code.

As at the Latest Practicable Date, T.C.L. Industries Holdings (H.K.) Limited holds 1,461,685,289 Shares representing 53.48% of the issued Share capital of the Company. If, which is not presently contemplated, the Company were to exercise the Repurchase Mandate in full, the percentage shareholding of T.C.L. Industries Holdings (H.K.) Limited would increase to 59.43%.

The Directors are not aware of any consequences which the exercise in full of the Repurchase Mandate will have under the Takeover Code. At present, so far as is known to the Directors, no Shareholder may become obliged to make a mandatory offer in accordance with Rule 26 of the Takeover Code in the event that the Directors exercise the power in full to repurchase the Shares pursuant to the Repurchase Mandate. The Company will not repurchase Shares if that repurchase would result in the number of Shares which are in the hands of the public falling below 25% of the Company's issued share capital.

No connected person (as defined in the Listing Rules) has notified the Company that he has a present intention to sell Shares to the Company, or has undertaken not to do so, if the Repurchase Mandate was approved by Shareholders.

The Company has not repurchased any of its Shares, whether on the Stock Exchange or otherwise, during the previous six months.

During each of the previous 12 months, the highest and lowest prices at which the Shares were traded on the Stock Exchange were as follows:

	Per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
April 2003	1.82	1.41
May 2003	1.81	1.40
June 2003	1.85	1.65
July 2003	1.99	1.64
August 2003	2.28	1.87
September 2003	2.38	2.13
October 2003	3.00	2.10
November 2003	2.93	2.63
December 2003	3.43	2.73
January 2004	3.83	3.18
February 2004	3.70	3.43
March 2004	3.68	2.90
April 2004 up to the Latest Practicable Date	3.33	2.95

Set out below are details of the Directors who will retire at the conclusion of the AGM according to the Existing Articles and will be proposed to be re-elected at the AGM.

1. MR. YAN YONG

Mr. Yan, aged 41, is an executive Director and the Managing Director of the Company and is also an executive director of TCL Corporation, the controlling shareholder of the Company.

Mr. Yan joined the Group in March 1999 and was appointed Executive Director, Chief Financial Officer in October 2000, and the Managing Director in March 2004. He is responsible for all facets of finance and accounting, tax, legal and compliance functions for the Group, as well as strategic planning and business development. Prior to joining the Group, he was Vice President and PRC Country Manager at Tulip Computers (Asia) Limited. He holds MBA from Stanford University and a M.Sc. in Computer Science from Beijing University. He has over ten years of management and finance experience in the United States and China.

Save and except that he is an executive director of TCL Corporation, Mr. Yan does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules) of the Company.

In the financial year ended 31 December 2003, Mr. Yan received a total emolument of HK\$528,000. The emoluments of Mr. Yan are determined with reference to his qualification and experience, responsibilities undertaken, contribution to the Group, and the prevailing market level of remuneration for executives of similar position.

2. MS. LU ZHONG LI

Ms. Lu, aged 58, is an executive Director of the Company and is also an executive director and Vice President of TCL Corporation.

Ms. Lu graduated from Hubei University and is an accountant. Ms. Lu was appointed as a non-executive Director in 1999 and was re-designated as an executive Director in November 2001. Ms. Lu has over 38 years of experience in financing, taxation, accounting and financial management.

Save and except that she is an executive director and shareholder (as disclosed below) of TCL Corporation, Ms. Lu does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules) of the Company.

In the financial year ended 31 December 2003, Ms. Lu received a total emolument of HK\$390,000. The emoluments of Ms. Lu are determined with reference to her qualification and experience, responsibilities undertaken, contribution to the Group, and the prevailing market level of remuneration for executives of similar position.

Set out below are details of the nominee proposed to be elected as an executive Director at the AGM:

3. MR. ZHAO ZHONG YAO

Mr. Zhao, aged 41, is currently Vice President of TCL Corporation and President of Component Strategic Business Unit of TCL Corporation.

Mr. Zhao has joined TCL Corporation since 1991. He was appointed as Deputy General Manager of various subsidiaries of TCL Corporation to oversee sales and marketing of consumer electronics business. Later, he was appointed as director of TCL Corporation. He graduated with bachelor's and master's degrees in Automatic Control — Electrical Engineering from Northwestern Polytechnic University of PRC in 1987.

Save and except that he is an executive director and a shareholder of TCL Corporation (as disclosed below), Mr. Zhao does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules) of the Company.

Subject to the approval of the appointment by the Shareholders at the AGM, Mr. Zhao's directorship with the Company will be subject to the retirement by rotation pursuant to the Existing Articles and the emolument of Mr. Zhao will be determined by the Board with reference to his qualification and experience, responsibilities to be undertaken, and the prevailing market level of remuneration for executives of similar position.

INTEREST OF DIRECTORS AND PROPOSED DIRECTOR

At the Latest Practicable Date, the interests and short positions of Mr. Yan Yong, Ms. Lu Zhong Li and Mr. Zhao Zhong Yao in the share capital, underlying shares and debentures of the Company or its associated corporations (within the meaning of part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, were as follows:

(i) Long position in ordinary shares of the Company

Nil

(ii) Long position in underlying shares of the Company — share options

Name of Directors	Capacity and nature of interest	No. of underlying Shares held
Yan Yong	Directly beneficially owned	134,000
Zhao Zhong Yao	Directly beneficially owned	300,000

(iii) Long position in ordinary shares of associated corporation of the Company

Name of Directors	Name of associated corporation	Relationship with the Company	No. of shares held	Capacity and nature of interest	Percentage of the associated corporation's issued share capital
Lu Zhong Li	TCL Corporation	Controlling shareholder of the Company	23,569,661	Directly beneficially owned	0.91
Zhao Zhong Yao	TCL Corporation	Controlling shareholder of the Company	6,444,954	Directly beneficially owned	0.25

Save as disclosed above, as at the Latest Practicable Date, none of Mr. Yan Yong, Ms. Lu Zhong Li and Mr. Zhao Zhong Yao and their associates had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of the Listed Companies.



TCL

TCL INTERNATIONAL HOLDINGS LIMITED

TCL 國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1070)

NOTICE IS HEREBY GIVEN that the annual general meeting of the Company will be held at 3:00 p.m. on Tuesday, 18 May 2004 at Island Ballroom A, Level 5, Island Shangri-La Hong Kong, Two Pacific Place, Supreme Court Road, Hong Kong, for the purpose of transacting the following business:

ORDINARY BUSINESS

1. To receive and consider the consolidated audited financial statements and the reports of the directors of the Company (“Directors”) and the auditors of the Company (“Auditors”) for the year ended 31 December 2003.
2. To declare a final dividend for the year ended 31 December 2003.
3. To re-elect the retiring Directors and authorise the board of Directors to fix their remuneration.
4. To elect Mr. Zhao Zhong Yao as an executive Director and authorise the board of Directors to fix his remuneration.
5. To re-appoint Messrs. Ernst & Young as the Auditors and authorise the board of Directors to fix their remuneration.

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions (with or without modification):

As Special Resolution

6. **“THAT** the new articles of association (“New Articles”) of the Company, a copy of which has been submitted to the meeting marked “A” signed for identification by the chairman thereof, be and is hereby approved and adopted in substitution for the existing articles of association of the Company adopted by the Company by a special resolution dated 4 November 2003 and that the Directors be and are hereby authorized to do all things to implement the adoption of the New Articles.”

NOTICE OF ANNUAL GENERAL MEETING

As Ordinary Resolution

7. **“THAT**

- a. a general mandate be and is hereby unconditionally given to the Directors to exercise during the Relevant Period (as hereinafter defined) all the powers of the Company to allot, issue and deal with unissued shares in the Company (“Share”) or securities convertible into Shares or options, warrants or similar rights to subscribe for any Shares and to make or grant offers, agreements or options which would or might require the exercise of such powers either during or after the Relevant Period, in addition to any Shares which may be issued from time to time on a Rights Issue (as hereinafter defined) or under any option scheme or similar arrangement for the time being adopted for the grant or issue of Shares or rights to acquire Shares or any scrip dividend pursuant to the articles of association of the Company, not exceeding twenty per cent. of the aggregate nominal value of the share capital of the Company in issue as at the date of this resolution; 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 expiration of the period within which the next annual general meeting of the Company is required by law or the articles association of the Company to be held; and
 - iii. the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting;

and “Rights Issue” means an offer of Shares open for a period fixed by the Directors to holders of Shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractions entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or of the requirements of any recognised regulatory body or any stock exchange applicable to the Company).”

8. **“THAT** there be granted to the Directors an unconditional general mandate to repurchase Shares, and that the exercise by the Directors of all powers of the Company to purchase Shares subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved, subject to the following conditions:
- a. such mandate shall not extend beyond the Relevant Period;
 - b. such mandate shall authorise the Directors to procure the Company to repurchase Shares at such price as the Directors may at their discretion determine;
 - c. the Shares to be repurchased by the Company pursuant to paragraph (a) of this resolution during the Relevant Period shall be no more than ten per cent. of the Shares in issue at the date of passing this resolution; and

NOTICE OF ANNUAL GENERAL MEETING

- d. for the purpose of this resolution, "Relevant Period" means the period from the passing of this resolution until whichever is the earliest of:
 - i. the conclusion of the next annual general meeting of the Company;
 - ii. the expiration of the period within which the next annual general meeting of the Company is required by law or the articles of association of the Company to be held; and
 - iii. the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting."
9. **"THAT**, subject to the availability of unissued share capital and conditional upon the resolutions nos. (7) and (8) above being passed, the aggregate nominal amount of the Shares which are repurchased by the Company pursuant to and in accordance with resolution no. (8) above shall be added to the aggregate nominal amount of the share capital of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to and in accordance with resolution no. (7) above."

By order of the Board
Li Dong Sheng, Tomson
Chairman

Hong Kong, 19 April 2004

Notes:

1. The Hong Kong Branch Register of Members of the Company will be closed from 12 May 2004 to 18 May 2004 (both days inclusive), during which period no transfers of Shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting to be held on Tuesday, 18 May 2004, all transfers accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Tengis Limited, at Ground Floor, BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not later than 4:30 p.m. on 11 May 2004.
2. A member of the Company who is a holder of two or more Shares, and who is entitled to attend and vote at the Annual General Meeting is entitled to appoint more than one proxy or a duly authorised corporate representative to attend and vote in his stead. A proxy need not be a member of the Company. Completion and return of the form of proxy will not preclude a member of the Company from attending the Annual General Meeting and vote in person. In such event, his form of proxy will be deemed to have been revoked.
3. A form of proxy for the Annual General Meeting is enclosed. In order to be valid, the form of proxy together with the 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 branch share registrar of the Company in Hong Kong, Tengis Limited, at Ground Floor, BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time for holding the Annual General Meeting or any adjournment thereof.

NOTICE OF ANNUAL GENERAL MEETING

4. With regard to resolutions nos. (7) and (9) above, the Directors wish to state that they have no immediate plans to issue any new Shares of the Company pursuant to the general mandate granted under resolution no (7) above.
5. As at the date of this notice, the board of Directors is composed of Mr. Li Dong Sheng, Mr. Yuan Xin Cheng, Ms. Lu Zhong Li, Mr. Hu Qiu Sheng, Mr. Yan Yong, Mr. Suen Hay Wai as executive Directors, and Mr. Hong Fong Ming and Mr. Albert Thomas da Rosa, Jr. as independent non-executive Directors.