
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this document, 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 document.

If you are in any doubt as to the action to be taken, you should immediately consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold all your shares in Timeless Software Limited, you should at once hand this document and the accompanying forms of proxy to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.



TIMELESS SOFTWARE LIMITED

(incorporated in Hong Kong with limited liability)

PROPOSED GRANT OF OPTIONS EXCEEDING 1% LIMIT AND NOTICE OF EXTRAORDINARY GENERAL MEETING

The Notice of the Extraordinary General Meeting of Timeless Software Limited to be held in Hong Kong on Wednesday, 25 February, 2004 at Board Room, 7/F., The Dynasty Club Limited, South West Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong or any adjournment thereof to approve the matters referred to in this circular is set out on pages 11 and 12 of this circular. Whether or not you are able to attend the meeting, please complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return it to the registered office of the Company at 79th Floor, The Center, 99 Queen's Road Central, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or the adjourned meeting. Completion of the proxy form and its return will not preclude you from attending, and voting at, the Extraordinary General Meeting if you so wish.

This circular will remain on the GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of posting and on the Company's website at www.timeless.com.hk.

10 February, 2004

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE

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

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

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

CONTENT

| | <i>Page</i> |
|--|-------------|
| Definitions | 1 |
| Letter from the Board | |
| 1. Introduction | 3 |
| 2. Proposed grant of Options to the Grantees | 4 |
| 3. Extraordinary General Meeting | 9 |
| 4. Responsibility Statement | 10 |
| 5. Recommendation | 10 |
| Notice of Extraordinary General Meeting | 11 |

DEFINITIONS

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

| | |
|---|---|
| “Associates” | shall have the meaning ascribed to it under the GEM Listing Rules |
| “Board” | the board of Directors of the Company or a duly authorised committee thereof |
| “Companies Ordinance” | the Companies Ordinance (Chapter 32 of the Laws of Hong Kong), as amended or supplemented from time to time |
| “Company” | Timeless Software Limited, a company incorporated in Hong Kong with limited liability under the Companies Ordinance |
| “Directors” | the director(s) of the Company |
| “Extraordinary General Meeting” | the extraordinary general meeting of the Company to be held in Hong Kong on Wednesday, 25 February, 2004 at Board Room, 7/F., The Dynasty Club Limited, South West Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong or any adjournment thereof |
| “GEM Listing Rules” | the Rules Governing the Listing of Securities on The Growth Enterprise Market of the Stock Exchange as amended, supplemented or otherwise modified from time to time |
| “Grantees” | Messrs. Cheng Kin Kwan, Chung Yiu Fai, Fung Sau Ching, Ho Wing Hang, Kan Siu Kei, Laurie, Leung Mei Sheung, Eliza and Wong Wai Ping, Mandy |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong for the time being |
| “Independent Director(s)” | the independent non-executive Director(s) for the time being, or a duly authorised committee thereof |
| “Latest Practicable Date” | 6 February, 2004, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein |
| “Notice of Extraordinary General Meeting” | the notice convening the Extraordinary General Meeting as set out on pages 11 and 12 of this circular |

DEFINITIONS

| | |
|---------------------------|---|
| “Option(s)” | right(s) to subscribe for Share(s) granted pursuant to the Share Option Scheme and the Terminated Scheme |
| “Ordinary Resolution(s)” | the proposed ordinary resolution(s) as referred to in the Notice of Extraordinary General Meeting |
| “Scheme Mandate Limit” | shall have the meaning given to that term in the Share Option Scheme |
| “Share(s)” | fully paid shares of HK\$0.05 each of the Company (or such other nominal amount prevailing from time to time) |
| “Shareholders” | holders of the Shares |
| “Share Option Scheme” | the share option scheme adopted by the Company pursuant to an ordinary resolution of the Company passed on 28 April 2003 |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Substantial Shareholder” | shall have the meaning ascribed to it under the GEM Listing Rules |
| “Terminated Scheme” | the share option scheme of the Company adopted on 21 November 2000 and terminated pursuant to an ordinary resolution of the Company passed on 28 April 2003 |



TIMELESS SOFTWARE LIMITED

(incorporated in Hong Kong with limited liability)

Executive Directors:

Mr. CHENG, Kin Kwan (*Chairman*)
Mr. CHUNG, Yiu Fai
Mr. LAW, Kwai Lam
Ms. LEUNG, Mei Sheung Eliza
Mr. PUN, Chung Sang Trevor
Ms. SO, Mi Ling Winnie
Ms. WONG, Wai Ping Mandy
Ms. ZHENG, Ying Yu

Registered Office:

79th Floor
The Center
99 Queen's Road Central
Hong Kong

Independent Non-executive Directors:

Mr. CHONG, Siu Pui
Mr. NG, Kwok Tung
Ms. TSANG, Wai Chun Marianna

10 February 2004

To the Shareholders of the Company,

Dear Sir/Madam,

**PROPOSED GRANT OF OPTIONS EXCEEDING 1% LIMIT
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

1. INTRODUCTION

The Board has proposed to grant certain Options to the Grantees, in excess of the applicable Individual Limit (as defined below). Pursuant to Rule 23.03(4) of the GEM Listing Rules, such proposals must be approved by the Shareholders at general meeting, with each of the Grantees and his/her respective Associates abstaining from voting in the ordinary resolution regarding the granting of the Further Options (as defined below) to each of the Grantees.

The principal purposes of this circular are to provide the Shareholders with details of such proposals and to give the Shareholders the Notice of the Extraordinary General Meeting.

LETTER FROM THE BOARD

2. PROPOSED GRANT OF OPTIONS TO THE GRANTEEES

2.1 The Grantees

Set out below are the brief particulars of the Grantees:

Cheng Kin Kwan is a founder of the Group and the Chairman, Chief Executive Officer and Substantial Shareholder of the Company. Prior to establishing the Company, Mr. Cheng has been serving the IT industry for over 30 years. He was the inventor who developed the first Chinese processing system and brought into China the first generation of image processing PC, the first dealer of Novell system in Hong Kong and China, and also, the developer of the first computer system for Hong Kong Futures Exchange. He took up various senior positions in software development companies and provided services as technical consultant for multinational vendors.

Chung Yiu Fai joined the Group in February 1998. Mr. Chung became the Chief Information Officer since February 2001 and assists the CEO to strategize and execute the Group's business directions and IT strategies. He has over 11 years of IT experience and substantial experience in project management in Hong Kong and China. He obtained a Bachelor of Science degree in Computer Information Science from Ohio State University and gained the Engineering Honour Student Award.

Fung Sau Ching is one of the general managers of the Group and is responsible for IT project management and certain administrative matters of the Group. She joined the Group in March 1996.

Ho Wing Hang is the General Manager of the subsidiary of the Group in Beijing and is responsible for the overall operation of the Group's Beijing subsidiary. He joined the Group in March 1996 and has over 15 years' experience in IT industry.

Kan Siu Kei, Laurie is the Deputy Chief Executive Officer of the Group and is responsible for overseeing strategic investments of the Group. He was a director of the Company from March 1998 to January 2001. Before he rejoined the Group in March 2003, he was the President, Chief Executive Officer and a director of i100 Limited, a company listed on Main Board in Hong Kong. Mr. Kan has over 20 years' experience in IT industry.

Leung Mei Sheung, Eliza is the Administration Director of the Group and is responsible for the overall administrative management of the Group and special assignments by the CEO. Ms. Leung joined the Group in June 1996. She has over 17 years of experience in office administration and accounting in the IT field.

Wong Wai Ping, Mandy is the Marketing Director of the Company, responsible for planning and executing marketing programmes, handling investors relationship and marketing communications, and special assignments by the CEO. She joined the Group in 1996 and has over 19 years' experience in marketing in the IT field.

LETTER FROM THE BOARD

2.2 Information on Options granted to the Grantees under the Share Option Scheme and the Terminated Scheme

As at the Latest Practicable Date, a total of 987,061,503 Shares were in issue. The particulars of the Options granted (including options exercised, cancelled and outstanding) to the Grantees under the Share Option Scheme and the Terminated Scheme (“the Existing Options”) are set out below:

| Name of Grantees | Number of Options granted | Number of Options exercised | Total number of Options outstanding | Percentage of the issued share capital as at the Latest Practicable Date |
|-------------------------|---------------------------------|-----------------------------------|---|--|
| Cheng Kin Kwan | 13,250,000 | 1,340,000* | 11,910,000 | 1.2% |
| Chung Yiu Fai | 7,900,000 | — | 7,900,000 | 0.8% |
| Fung Sau Ching | 10,900,000 | — | 10,900,000 | 1.1% |
| Ho Wing Hang | 11,300,000 | — | 11,300,000 | 1.1% |
| Kan Siu Kei, Laurie | 8,000,000 | — | 8,000,000 | 0.8% |
| Leung Mei Sheung, Eliza | 11,500,000 | — | 11,500,000 | 1.2% |
| Wong Wai Ping, Mandy | 7,400,000 | — | 7,400,000 | 0.8% |

* The exercise price of these options was HK\$0.228.

Details of the outstanding Options as stated above are as follows:

| Name of Grantees | Date of grant | No. of outstanding Options | Exercise Period | Exercise Price HK\$ |
|------------------|------------------|----------------------------------|-----------------------|---------------------------|
| Cheng Kin Kwan | 8/12/2003 | 800,000 | 8/12/2003 - 7/12/2013 | 0.213 |
| | 5/9/2003 | 7,660,000 | 5/9/2003 - 4/9/2013 | 0.228 |
| | 22/4/2002 | 650,000 | 22/4/2003 - 21/4/2006 | 0.455 |
| | 3/10/2001 | 800,000 | 3/10/2002 - 2/10/2005 | 0.445 |
| | 27/4/2001 | 500,000 | 27/4/2002 - 26/4/2005 | 0.818 |
| | 6/3/2001 | 1,500,000 | 6/3/2002 - 5/3/2005 | 0.63 |
| Chung Yiu Fai | 8/12/2003 | 400,000 | 8/12/2003 - 7/12/2013 | 0.213 |
| | 5/9/2003 | 5,500,000 | 5/9/2003 - 4/9/2013 | 0.228 |
| | 22/4/2002 | 300,000 | 22/4/2003 - 21/4/2006 | 0.455 |
| | 3/10/2001 | 500,000 | 3/10/2002 - 2/10/2005 | 0.445 |
| | 27/4/2001 | 200,000 | 27/4/2002 - 26/4/2005 | 0.818 |
| | 6/3/2001 | 1,000,000 | 6/3/2002 - 5/3/2005 | 0.63 |

LETTER FROM THE BOARD

| Name of Grantees | Date of grant | No. of outstanding Options | Exercise Period | Exercise Price <i>HK\$</i> |
|-------------------------|---------------|----------------------------|-------------------------|-------------------------------|
| Fung Sau Ching | 8/12/2003 | 400,000 | 8/12/2003 - 7/12/2013 | 0.213 |
| | 26/11/2003 | 400,000 | 26/11/2003 - 25/11/2013 | 0.23 |
| | 15/9/2003 | 3,500,000 | 15/9/2003 - 14/9/2013 | 0.225 |
| | 5/9/2003 | 5,500,000 | 5/9/2003 - 4/9/2013 | 0.228 |
| | 3/10/2001 | 300,000 | 3/10/2002 - 2/10/2005 | 0.445 |
| | 6/3/2001 | 800,000 | 6/3/2002 - 5/3/2005 | 0.63 |
| Ho Wing Hang | 8/12/2003 | 400,000 | 8/12/2003 - 7/12/2013 | 0.213 |
| | 26/11/2003 | 400,000 | 26/11/2003 - 25/11/2013 | 0.23 |
| | 15/9/2003 | 3,500,000 | 15/9/2003 - 14/9/2013 | 0.225 |
| | 5/9/2003 | 5,500,000 | 5/9/2003 - 4/9/2013 | 0.228 |
| | 22/4/2002 | 200,000 | 22/4/2003 - 21/4/2006 | 0.455 |
| | 3/10/2001 | 500,000 | 3/10/2002 - 2/10/2005 | 0.445 |
| | 6/3/2001 | 800,000 | 6/3/2002 - 5/3/2005 | 0.63 |
| Kan Siu Kei, Laurie | 5/9/2003 | 8,000,000 | 5/9/2003 - 4/9/2013 | 0.228 |
| Leung Mei Sheung, Eliza | 8/12/2003 | 4,300,000 | 8/12/2003 - 7/12/2013 | 0.213 |
| | 5/9/2003 | 5,500,000 | 5/9/2003 - 4/9/2013 | 0.228 |
| | 3/10/2001 | 500,000 | 3/10/2002 - 2/10/2005 | 0.445 |
| | 27/4/2001 | 200,000 | 27/4/2002 - 26/4/2005 | 0.818 |
| | 6/3/2001 | 1,000,000 | 6/3/2002 - 5/3/2005 | 0.63 |
| Wong Wai Ping, Mandy | 8/12/2003 | 400,000 | 8/12/2003 - 7/12/2013 | 0.213 |
| | 5/9/2003 | 5,500,000 | 5/9/2003 - 4/9/2013 | 0.228 |
| | 3/10/2001 | 500,000 | 3/10/2002 - 2/10/2005 | 0.445 |
| | 27/4/2001 | 200,000 | 27/4/2002 - 26/4/2005 | 0.818 |
| | 6/3/2001 | 800,000 | 6/3/2002 - 5/3/2005 | 0.63 |

LETTER FROM THE BOARD

2.3 Particulars of the Further Options to be granted to the Grantees

Proposed grant of the Further Options

At the meeting of the Board held on 9 January 2004, resolutions were passed by the Directors (including the Independent Directors) to approve the proposed further grant of the following Options to the Grantees (the “Further Options”):

| Name of the Grantees | Number of Further Options |
|-----------------------------|----------------------------------|
| Cheng Kin Kwan | 10,000,000 |
| Chung Yiu Fai | 7,000,000 |
| Fung Sau Ching | 7,000,000 |
| Ho Wing Hang | 7,000,000 |
| Kan Siu Kei, Laurie | 6,000,000 |
| Leung Mei Sheung, Eliza | 6,000,000 |
| Wong Wai Ping, Mandy | 6,000,000 |

Underlying Shares and exercise period

The granting of the Further Options, if approved at the Extraordinary General Meeting by the Shareholders in the aforesaid manner, will entitle the Grantees to subscribe for an aggregate of 49,000,000 Shares, over a period of 10 years commencing on the date of approval by the Shareholders of the proposed grant of the Further Options to the Grantees and expiring on the last day of the said 10 years’ period.

Exercise price

The price payable by the Grantees to the Company when they exercise the subscription rights attached to the Further Options is HK\$0.19 per Share, being equal to the higher of:

- (a) HK\$0.19, the closing price of the Shares on the Stock Exchange as stated in the daily quotation sheet issued by the Stock Exchange on 9 January 2004, which is the day on which the Further Options was conditionally granted to the Grantees (the “Date of Grant”);
- (b) HK\$0.188, the average closing price of the Shares on the Stock Exchange as stated in its daily quotation sheets issued by the Stock Exchange for the five trading days immediately preceding the Date of Grant; and
- (c) HK\$0.05, being the nominal value of the Shares.

2.4 Reasons of granting the Further Options

Having considered the Grantees' respective continuing contributions to the Group, particularly their dedication towards the development and growth of the Group and their respective roles as senior management of the Group, as well as the reduction of salaries by over 20% since February 2003 so as to carry out the Group's cost-cutting and saving scheme, the Board has decided to grant to the Grantees the Further Options for incentive purpose.

In determining the number of Further Options that were granted to each of the Grantees, consideration was given to his/her seniority within the Group's management team as well as the extent of his/her salary reduction. The following specific contributions of the Grantees were also taken into account:

(a) *Contributions towards product and business developments*

Each of Mr. Cheng Kin Kwan, Mr. Chung Yiu Fai, Ms. Fung Sau Ching, Mr. Ho Wing Hang, Ms. Leung Mei Sheung, Eliza and Ms. Wong Wai Ping, Mandy has recently made varying degrees of, but significant, contributions towards the Group's product development and business development in Guangzhou.

(b) *Contributions towards the Group's financial position*

Mr. Kan Siu Kei, Laurie has successfully instigated a top-up placement of shares and a loan refinancing exercise for the Group in the second half of 2003. These activities have substantially strengthened the Group's cash position.

In view of the above factors, there is no minimum period for which the Grantees should hold before the Further Options could be exercised nor is there any performance target that should be achieved before the Further Options could be exercised.

2.5 Implications of GEM Listing Rules

Pursuant to Rule 23.04 of the GEM Listing Rules, each grant of options to a director or substantial shareholder of a listed issuer must be approved by the independent non-executive directors. At the meeting of the Board held on 9 January 2004, resolutions were passed by the Directors (including the Independent Directors) to approve the proposed grant of the Further Options to the Grantees who include, inter alia, 4 Directors namely Mr. Cheng Kin Kwan (also a Substantial Shareholder of the Company), Mr. Chung Yiu Fai, Ms. Leung Mei Sheung, Eliza and Ms. Wong Wai Ping, Mandy.

Pursuant to a resolution passed by Shareholders at the general meeting on 29 December 2003, the Scheme Mandate Limit was refreshed to a maximum of 98,706,150 Shares representing 10% of the total issued Shares as at that date. This refreshed Scheme Mandate Limit has not been utilised prior to the granting of the Further Options. The granting of the Further Options has utilised 49.6% the refreshed Scheme Mandate Limit.

LETTER FROM THE BOARD

Pursuant to the Note to Rule 23.03(4) of the GEM Listing Rules, the total number of Shares issued and to be issued upon exercise of the Options granted to any participant (including both exercised and outstanding Options) in any 12-month period must not exceed 1% of the Shares in issue (the “Individual Limit”). Any grant of Options in excess of the Individual Limit must be approved by the Shareholders in general meeting, with the participant and his Associates abstaining from voting. The granting of the Further Options to each of the Grantees would be in excess of the Individual Limit as follows:

| Name of Grantees | Number of Options granted on | | | | Proposed grant of Further Options | Total number of Options granted in excess of the Individual Limit | Percentage of the issued share capital as at Latest Practicable Date |
|-------------------------|------------------------------|--------------|-------------|------------|-----------------------------------|---|--|
| | 5 September | 15 September | 26 November | 8 December | | | |
| | 2003 | 2003 | 2003 | 2003 | | | |
| Cheng Kin Kwan | 9,000,000 | — | — | 800,000 | 10,000,000 | 19,800,000 | 2.0% |
| Chung Yiu Fai | 5,500,000 | — | — | 400,000 | 7,000,000 | 12,900,000 | 1.3% |
| Fung Sau Ching | 5,500,000 | 3,500,000 | 400,000 | 400,000 | 7,000,000 | 16,800,000 | 1.7% |
| Ho Wing Hang | 5,500,000 | 3,500,000 | 400,000 | 400,000 | 7,000,000 | 16,800,000 | 1.7% |
| Kan Siu Kei, Laurie | 8,000,000 | — | — | — | 6,000,000 | 14,000,000 | 1.4% |
| Leung Mei Sheung, Eliza | 5,500,000 | — | — | 4,300,000 | 6,000,000 | 15,800,000 | 1.6% |
| Wong Wai Ping, Mandy | 5,500,000 | — | — | 400,000 | 6,000,000 | 11,900,000 | 1.2% |

The proposed grant of the Further Options will be subject to the approval by the Shareholders at the Extraordinary General Meeting, with each of the Grantees and his/her respective Associates abstaining from voting on the ordinary resolution regarding the granting of the Further Options to each of the Grantees.

3. EXTRAORDINARY GENERAL MEETING

The Notice of Extraordinary General Meeting is set out on pages 11 and 12 of this circular. At the Extraordinary General Meeting, ordinary resolutions will be proposed to approve the grant of the Further Options to the Grantees.

A form of proxy for use by the Shareholders at the Extraordinary General Meeting is enclosed with this circular. **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 registered office of the Company at 79th Floor, The Center, 99 Queen’s Road Central, Hong Kong as soon as possible and, in any event, so as to be received not less than 48 hours before the time appointed for the holding of the meeting or the adjourned meeting.** Completion and delivery of the form of proxy will not prevent you from attending and voting at the meeting if you so wish.

Each of the Grantees and his/her respective Associates will abstain from voting in respect of the ordinary resolution for approving the grant of the Further Options to each of the Grantees.

LETTER FROM THE BOARD

4. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:

- (a) the information contained in this circular is accurate and complete in all material respects and not misleading;
- (b) there are no other matters the omission of which would make any such statement in this circular misleading; and
- (c) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

5. RECOMMENDATION

Having considered the continuing contributions of the Grantees towards the growth and development of the Group, their dedication in fulfilling their respective roles within the Group, the reduction of salaries by over 20% since February 2003 so as to carry out the Group's cost-cutting and saving scheme, as well as the terms of the proposed granting of the Further Options, the Board recommends the Shareholders to vote in favour of the ordinary resolutions set out in the Notice of Extraordinary General Meeting to approve such proposed grant.

Yours faithfully,
CHENG Kin Kwan
Chairman & Chief Executive Officer



TIMELESS SOFTWARE LIMITED

(incorporated in Hong Kong with limited liability)

NOTICE IS HEREBY GIVEN that the Extraordinary General Meeting of Timeless Software Limited (the “Company”) will be held at Board Room, 7/F., The Dynasty Club Limited, South West Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong on Wednesday, 25 February 2004, at 3:30 p.m. to consider and, if thought fit, pass the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

- (1) **“THAT** the conditional grant of 10,000,000 options to Mr. Cheng Kin Kwan pursuant to the share option scheme of the Company adopted on 28 April 2003 for the subscription of 10,000,000 shares of HK\$0.05 each in the capital of the Company be and is hereby approved, confirmed and ratified.”
- (2) **“THAT** the conditional grant of 7,000,000 options to Mr. Chung Yiu Fai pursuant to the share option scheme of the Company adopted on 28 April 2003 for the subscription of 7,000,000 shares of HK\$0.05 each in the capital of the Company be and is hereby approved, confirmed and ratified.”
- (3) **“THAT** the conditional grant of 7,000,000 options to Ms. Fung Sau Ching pursuant to the share option scheme of the Company adopted on 28 April 2003 for the subscription of 7,000,000 shares of HK\$0.05 each in the capital of the Company be and is hereby approved, confirmed and ratified.”
- (4) **“THAT** the conditional grant of 7,000,000 options to Mr. Ho Wing Hang pursuant to the share option scheme of the Company adopted on 28 April 2003 for the subscription of 7,000,000 shares of HK\$0.05 each in the capital of the Company be and is hereby approved, confirmed and ratified.”
- (5) **“THAT** the conditional grant of 6,000,000 options to Mr. Kan Siu Kei, Laurie pursuant to the share option scheme of the Company adopted on 28 April 2003 for the subscription of 6,000,000 shares of HK\$0.05 each in the capital of the Company be and is hereby approved, confirmed and ratified.”
- (6) **“THAT** the conditional grant of 6,000,000 options to Ms. Leung Mei Sheung, Eliza pursuant to the share option scheme of the Company adopted on 28 April 2003 for the subscription of 6,000,000 shares of HK\$0.05 each in the capital of the Company be and is hereby approved, confirmed and ratified.”

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (7) “**THAT** the conditional grant of 6,000,000 options to Ms. Wong Wai Ping, Mandy pursuant to the share option scheme of the Company adopted on 28 April 2003 for the subscription of 6,000,000 shares of HK\$0.05 each in the capital of the Company be and is hereby approved, confirmed and ratified.”

By Order of the Board
CHENG Kin Kwan
Chairman & Chief Executive Officer

Hong Kong, 10 February 2004

Registered Office:

79th Floor
The Center
99 Queen’s Road Central
Hong Kong

Notes:

1. A member entitled to attend and vote at the meeting convened by the above notice may appoint one or more proxies to attend the meeting and vote on a poll instead of him. A proxy need not be a member of the Company.
2. To be valid, a form of proxy and the power of authority (if any) under which it is signed or a notarially certified copy of such power of authority must be deposited at the registered office of the Company at 79th Floor, The Center, 99 Queen’s Road Central, Hong Kong not less than 48 hours before the time appointed for holding the meeting or the adjourned meeting.