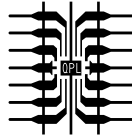

THIS DOCUMENT IS IMPORTANT AND ENQUIRES YOUR IMMEDIATE ATTENTION

If you are in any 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 QPL International Holdings Limited, you should at once hand this circular, together with the accompanying form of proxy to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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 document.



QPL INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

AMENDMENTS TO THE BYE-LAWS OF THE COMPANY

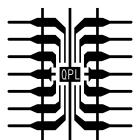
AND

GENERAL MANDATES TO

REPURCHASE SHARES AND WARRANTS AND ISSUE SHARES

29th August, 2003

LETTER FROM THE CHAIRMAN



QPL INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Directors:

Li Tung Lok

Henry Cheng Hoi Tao

Francis Leung Pak To*

Robert Charles Nicholson*

Robert Sze Tsai To*

Alex Wong Chun Bong*

** Independent non-executive director*

Registered Office:

Cedar House

41 Cedar Avenue

Hamilton

Bermuda

Principal Office:

2nd Floor

QPL Industrial Building

138 Texaco Road

Tsuen Wan

New Territories

Hong Kong

29th August, 2003

To the Shareholders (and for information, Warrantholders)

Dear Sir/Madam,

AMENDMENTS TO THE BYE-LAWS OF THE COMPANY AND GENERAL MANDATES TO REPURCHASE SHARES AND WARRANTS AND ISSUE SHARES

INTRODUCTION

The purpose of this document is to give you information regarding some of the resolutions to be proposed at the forthcoming 2003 Annual General Meeting of QPL International Holdings Limited (the “Company”) to be held on Tuesday, 23rd September, 2003 (the “Annual General Meeting”) to enable shareholders of the Company (the “Shareholders”) to make an informed decision on whether to vote for or against the resolutions.

The resolutions include (i) granting to the Directors a general and unconditional mandate to repurchase shares and warrants of the Company (a) in the case of ordinary shares of the Company, up to 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution; and (b) in the case of warrants of the Company, up to 10 per cent. of the aggregate amount of subscription rights

LETTER FROM THE CHAIRMAN

attached to all warrants of the Company outstanding as at the date of passing of the relevant resolution (the “Repurchase Mandate”); and (ii) granting to the Directors a general and unconditional mandate (a) to issue further shares representing up to 20 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution and (b) to issue shares not exceeding the aggregate nominal amount of share capital purchased pursuant to the Repurchase Mandate.

GENERAL MANDATE TO REPURCHASE SHARES AND WARRANTS

At the Annual General Meeting, an ordinary resolution will be proposed to grant to the Directors a general and unconditional mandate to exercise all powers of the Company to repurchase issued shares in the capital of the Company and to repurchase subscription rights attached to the warrants of the Company, subject to the criteria set out in this circular. In particular, Shareholders should note that the maximum number of securities that may be repurchased pursuant to the Repurchase Mandate will be (a) in the case of ordinary shares of the Company, such number of shares which represents up to 10 per cent. of the issued share capital of the Company as at the date of passing of the relevant resolution subject to the Listing Rules and (b) in the case of warrants of the Company, up to 10 per cent. of the aggregate amount of subscription rights attached to all warrants of the Company outstanding as at the date of passing of the relevant resolution subject to the Listing Rules. The Repurchase Mandate will end on the earliest of the date of the next annual general meeting, the date by which the next annual general meeting of the Company is required to be held by law or the Company’s Bye-laws, and the date upon which such authority is revoked or varied by ordinary resolution of the Company in general meeting.

In accordance with the Listing Rules, the Company is required to send to Shareholders an explanatory statement which is set out in the Appendix of this circular.

GENERAL MANDATES TO ISSUE SHARES

At the Annual General Meeting, an ordinary resolution will be proposed to grant to the Directors a general and unconditional mandate to issue further shares representing up to 20 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution.

Subject to the passing of the aforesaid ordinary resolutions of the Repurchase Mandate and general mandate to issue shares, an ordinary resolution will also be proposed to authorise the Directors to issue shares in the capital of the Company in the amount not exceeding the aggregate nominal amount of securities of the Company purchased pursuant to the Repurchase Mandate.

As at 25th August, 2003 (the “Latest Practicable Date”), assuming there is no change in the share capital until the Annual General Meeting, the maximum further shares to which this general mandate relates is 127,873,501 shares (including shares repurchased pursuant to Repurchase Mandate).

LETTER FROM THE CHAIRMAN

AMENDMENTS TO THE BYE-LAWS OF THE COMPANY

Under Bye-Law (1) of the Bye-Laws of the Company, “Clearing House” to which Bye-Law (100A) of the Bye-Laws refers means a recognised Clearing House within the meaning of Section 2 of the Securities and Futures (Clearing Houses) Ordinance of Hong Kong or a Clearing House or authorised shares depository recognised by the laws of the jurisdiction in which the shares of the company are listed or quoted on a stock exchange.

Bye-Law (100A) reads as follows:

“Notwithstanding bye-law 88 if a Clearing House (or its nominee) is a member of the Company it may appoint such person or persons as it thinks fit to act as its proxy or proxies or as its corporate representative or representatives to the extent permitted by the Companies Act at any meeting of the Company or at any meeting of any class of members of the Company provided that, if more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such person is so appointed. A person so appointed under the provisions of this Bye-law shall be entitled to exercise the same powers on behalf of the Clearing House (or its nominee) which he represents as that Clearing House (or its nominee) could exercise if it were an individual member.”

With the repeal of the Securities and Futures (Clearing Houses) Ordinance and the coming into effect of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) on 1st April, 2003, the definition of “Clearing House” in the Company’s Bye-Laws need to be amended. It is proposed that the definition of “Clearing House” in the Bye-Laws shall be amended such that reference to the Securities and Futures (Clearing Houses) Ordinance shall be replaced by the Securities and Futures Ordinance. After the proposed amendment, the definition of “Clearing House” in Bye-Law (1) shall read as follows:

““Clearing House” means a recognised Clearing House within the meaning of Part 1 of Schedule 1 of the Securities and Futures Ordinance of Hong Kong or a Clearing House or authorised shares depository recognised by the laws of the jurisdiction in which the shares of the company are listed or quoted on a stock exchange.”

The proposed amendment to Bye-Laws is set out in the Special Resolution numbered 5 of the AGM Notice.

RECOMMENDATION

The Directors (including the independent non-executive directors) are of the opinion that the adoption of each of the resolutions to be proposed at the Annual General Meeting concerning the proposed Repurchase Mandate and the proposed general mandate to issue further shares is in the best interests of the Company and the Shareholders, and recommend that you vote in favour of each such resolution.

Yours faithfully,
Li Tung Lok
Chairman

The following is the explanatory statement required to be sent to the shareholders of the Company under the Listing Rules in connection with the proposed general mandate for the repurchase of shares and warrants of the Company.

- (i) An ordinary resolution will be proposed at the Annual General Meeting to grant the Directors a general mandate to repurchase up to 10 per cent. of the shares in issue and of the warrants outstanding as at the date of passing such resolution. As at the Latest Practicable Date, there were in issue 639,367,505 shares and 103,494,931 warrants. On the basis of these figures and assuming that no further shares and/or warrants are issued or repurchased prior to the Latest Practicable Date, the Directors would be authorised to repurchase shares and/or warrants up to a limit of approximately 63,936,750 shares and 10,349,493 warrants.
- (ii) The Directors believe that the ability to repurchase shares and warrants is in the best interests of the Company and its Shareholders. Repurchases may, depending on the market conditions and funding arrangements of the Company at the time, result in an increase in net asset value and/or earnings per Share. The Directors are seeking general mandate to repurchase shares and warrants so as to give the Company the flexibility to do so if and when appropriate. The number(s) and class(es) of shares and warrants to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time having regard to the circumstances then pertaining.

Whilst it is not possible to anticipate in advance any specific circumstance in which the Directors might think it appropriate to repurchase shares and warrants, a repurchase would be effected where the resulting reduction in the issued capital of the Company was considered beneficial. The Directors believe that an ability to repurchase shares and/or warrants gives the Company additional flexibility that would be beneficial. Shareholders can be assured that the Directors would only make such repurchases in circumstances where they consider them to be in the interest of the Company because they consider the shares and/or warrants can be purchased on favourable terms.

- (iii) Repurchases must be made out of funds which are legally available for such purpose in accordance with the memorandum of association and bye-laws of the Company and the laws of Bermuda. The Companies Act provides that the amount of capital paid in connection with a share repurchase may only be paid out of either the capital paid up on the relevant shares, or from the proceeds of a fresh issue of shares made for the purpose. The Companies Act further provides that the amount of premium payable on repurchase may only be paid out of either the funds that would otherwise be available for distribution or dividend or out of the share premium account of the Company. The shares and/or warrants repurchased will be treated as cancelled and the amount of the Company's issued share capital will be diminished by the nominal value of such shares, but the aggregate amount of the Company's authorised share capital will not be thereby reduced.

- (iv) On the basis of the consolidated financial position of the Company as at 30th April, 2003 (being the date to which the latest published audited financial statements of the Company have been made up) and in particular the working capital position of the Company at that time and the number of shares and/or warrants now in issue, the Directors consider that there would be a material adverse impact on the working capital position and that there would be a material adverse impact on the gearing position of the Company in the event that purchases of all the shares and/or warrants the subject of the proposed mandate were to be carried out in full during the proposed mandate period. However, no repurchase would be made in circumstances that would have a material adverse impact on the working capital or gearing position of the Company (as compared with the financial position disclosed in its latest published audited financial statements) unless the Directors consider that such purchases were in the best interests of the Company.
- (v) There are no Directors or (to the best of the knowledge of the Directors, having made all reasonable enquiries) any associates (as defined in the Listing Rules) of the Directors who have a present intention, in the event that the repurchase mandates are granted by the Shareholders, to sell shares and/or warrants to the Company.
- (vi) The Directors have undertaken to the Stock Exchange to exercise the powers of the Company to make repurchases pursuant to the general mandate in accordance with the Listing Rules and the laws of Bermuda.
- (vii) If as a result of a share repurchase, a shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of Hong Kong Code on Takeovers and Mergers (the "Takeover Code") and, if such increase results in a change of control, may in certain circumstances give rise to an obligation to make a general offer for shares under Rule 26 of the Takeover Code. As at the Latest Practicable Date, Mr. Li Tung Lok was together with his associates the beneficial owner of shares representing approximately 31.2 per cent. of the issued share capital of the Company. To the best of the knowledge and belief of the Company, Mr. Li Tung Lok, together with his associates, is the only person beneficially interested in shares representing 10 per cent. or more of the issued share capital of the Company. In the event that the Directors exercised in full the power to repurchase shares which is proposed to be granted pursuant to the resolution set out in the notice convening the Annual General Meeting, the shareholding of Mr. Li Tung Lok, together with his associates, in the Company would be increased to approximately 34.7 per cent. of the issued share capital of the Company. In the event that the Directors exercised in full the power to repurchase shares pursuant to the proposed Repurchase Mandate, an obligation to make a general offer to shareholders under Rules 26 of Takeover Code may arise. Subject to the aforesaid, the Directors are not aware of any consequences which will arise under the Takeover Code as a result of any repurchases to be made under the proposed Repurchase Mandate. The Directors have no present intention to exercise the

power to repurchase shares pursuant to the proposed Repurchase Mandate to an amount which would result in the above shareholder becoming obliged to make mandatory offer in accordance with Rule 26 of the Takeover Code.

- (viii) No connected persons (as defined in the Listing Rules) of the Company have notified the Company that they have a present intention to sell shares to the Company and no such persons have undertaken not to sell any of the shares held by them to the Company in the event that the repurchase mandate is granted by shareholders of the Company.
- (ix) During the six months preceding the Latest Practicable Date, no repurchases of shares and/or warrants were made by the Company on the Stock Exchange.
- (x) The highest and lowest prices at which shares and warrants were traded on the Stock Exchange during each of the previous twelve months preceding the Latest Practicable Date are as follows:—

Shares

Month	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2002		
August	2.475	1.900
September	2.000	1.500
October	1.790	1.260
November	2.100	1.490
December	2.200	1.680
2003		
January	2.075	1.630
February	1.750	1.430
March	1.530	1.300
April	1.480	1.270
May	1.690	1.350
June	1.730	1.480
July	1.930	1.520

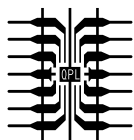
Warrants**Month****2002**

August	0.155	0.080
September	0.091	0.032
October	0.062	0.030
November	0.280	0.029
December	0.285	0.117

2003

January	0.180	0.100
February	0.090	0.060
March	0.074	0.050
April	0.058	0.036
May	0.084	0.033
June	0.058	0.036
July	0.092	0.024

NOTICE OF ANNUAL GENERAL MEETING



QPL INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

NOTICE IS HEREBY GIVEN that the annual general meeting of the Company will be held at Function Room VIII and IX, Arcade 2, Hotel Miramar Hong Kong, 118-130 Nathan Road, Tsim Sha Tsui, Kowloon, Hong Kong at 4:00 p.m. on Tuesday, 23rd September, 2003 for the following purposes:—

1. To receive and consider the report of the directors and financial statements for the year ended 30th April, 2003 and the auditors' report thereon.
2. To appoint auditors for the year ending 30th April, 2004 and to authorise the Board to fix their remuneration.
3. To authorise the Board of Directors to fix the director's remuneration for the period until the conclusion of the next annual general meeting.
4. By way of special business to consider and if thought fit, pass with or without amendments, the following resolutions as Ordinary Resolutions:

(A) **“THAT:—**

- (i) subject to paragraph (iii), the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to allot or issue additional shares in the share capital of the Company (“Shares”) and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (ii) the approval in paragraph (i) shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (iii) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted, whether pursuant to an option or otherwise, by the directors of the Company pursuant to the approval in paragraph (i), otherwise than pursuant to:—

— a Rights Issue (as hereinafter defined); or

NOTICE OF ANNUAL GENERAL MEETING

- an issue of Shares upon the exercise of subscription rights under any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any subsidiaries of Shares or rights to acquire Shares;

shall not exceed 20 per cent. of the aggregate nominal amount of the existing share capital of the Company in issue as at the date hereof and the said approval shall be limited accordingly; and

- (iv) for the purpose of this resolution:—

“Relevant Period” means the period from the passing of the resolution until whichever is the earlier of:—

- the conclusion of the next annual general meeting of the Company; and
- the expiration of the period within which the next annual general meeting of the Company is required by law or the Company’s Bye-Laws to be held; and
- the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of Shares open for a period fixed by the directors of the Company to holders of ordinary 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 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, any recognised regulatory body or any stock exchange in any relevant jurisdiction.”

- (B) **“THAT:—**

- (i) the exercise by the directors of the Company during the Relevant Period of all powers of the Company to repurchase its securities on The Stock Exchange of Hong Kong Limited, subject to and in accordance with all applicable laws and requirements of The Stock Exchange of Hong Kong Limited as amended from time to time be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

(ii) the aggregate nominal amount of ordinary shares of the Company repurchased by the Company pursuant to paragraph (i) during the Relevant Period, shall (a) in the case of ordinary shares of the Company, be no more than 10 per cent. of the aggregate nominal amount of the existing issued share capital of the Company as at the date hereof; and (b) in the case of warrants of the Company, be no more than 10 per cent. of the aggregate amount of subscription rights attached to all warrants of the Company outstanding as at the date hereof and the authority pursuant to paragraph (i) shall be limited accordingly;

(iii) for the purpose of this resolution, “Relevant Period” means the period from the date of passing of this resolution until whichever is the earlier of:—

- the conclusion of the next annual general meeting of the Company; and
- the expiration of the period within which the next annual general meeting of the Company is required by law or the Company’s Bye-Laws to be held; and
- the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

(C) “**THAT** conditional upon the resolutions set out in paragraphs 4(A) and 4(B) contained in the notice convening the meeting of which this resolution forms part (the “Notice”) being passed, the aggregate nominal amount of securities of the Company purchased by the Company after the date of passing this resolution (up to a maximum of 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of this resolution) shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the resolution set out in paragraph 4(A) contained in the Notice.”

5. By way of special business to consider and if thought fit, pass with or without amendments, the following resolution as a Special Resolution:

“**THAT** Bye-Law (1) of the Bye-Laws of the Company be amended by deleting the words “Section 2 of the Securities and Futures (Clearing Houses) Ordinance” from the definition of “Clearing House” and substituting therefore the words “Part 1 of Schedule 1 of the Securities and Futures Ordinance”.”

NOTICE OF ANNUAL GENERAL MEETING

6. To transact any other ordinary business of the Company.

By Order of the Board of
QPL International Holdings Limited
Bella, Chhoa Peck Lim
Company Secretary

Hong Kong, 25th August, 2003

Hong Kong principal place of business:

2nd Floor, QPL Industrial Building,
138 Texaco Road,
Tsuen Wan, New Territories,
Hong Kong.

Notes:

- (i) A member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend the Meeting and at any adjournment thereof and vote in his stead. A proxy need not be a member of the Company.
- (ii) The form of proxy must be lodged at the principal office of the Company in Hong Kong not less than 48 hours before the time appointed for the meeting. Completion and return of the form of proxy will not preclude a member from attending and voting in person.