

If you are in doubt about this circular or as to the action to be taken, you should consult your 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 Sinotronics Holdings Limited (the “Company”) you should at once hand this circular with the enclosed form of proxy to the purchaser or the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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SINOTRONICS HOLDINGS LIMITED

華翔微電子控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1195)

GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES, RE-ELECTION OF RETIRING DIRECTORS, PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION, AND NOTICE OF ANNUAL GENERAL MEETING

Resolutions will be proposed at the annual general meeting (the “AGM”) of the Company to be held at Salon II, Mezzanine Floor, Grand Hyatt Hong Kong, No. 1 Harbour Road, Wanchai, Hong Kong on 16th November, 2004 at 10:00 a.m. to approve the matters referred to in this circular. The notice convening the AGM is set out in the 2004 Annual Report. If you are unable to attend the AGM in person, you are requested to complete and return the form of proxy enclosed with this circular in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting if you so wish.

* *for identification purpose only*

8th October, 2004

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DEFINITIONS

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

“2004 Annual Report”	the Audited Consolidated Financial Statements and the Reports of the Directors and Auditors of the Company for the year ended 30th June, 2004;
“AGM”	the annual general meeting of the Company to be held at Salon II, Mezzanine Floor, Grand Hyatt Hong Kong, No. 1 Harbour Road, Wanchai, Hong Kong on Tuesday, 16th November, 2004 at 10:00 a.m. at which the 2004 Annual Report will be adopted;
“Articles”	the existing articles of association of the Company;
“Board”	the board of Directors;
“Commission”	the Securities and Futures Commission;
“Company”	Sinotronics Holdings Limited;
“Director(s)”	director(s) of the Company;
“Group”	the Company and its subsidiaries from time to time;
“Issue Mandate”	the general mandate to allot, issue and deal with Shares not exceeding 20% of the issued share capital of the Company as at the date of passing of the resolution approving the Issue Mandate;
“Latest Practicable Date”	4th October, 2004, being the latest practicable date prior to the printing of this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Model Code”	Model Code for Securities Transactions by Directors of Listed Companies;
“Repurchase Mandate”	the general mandate to exercise the power of the Company to repurchase Shares up to a maximum of 10% of the issued share capital of the Company as at the date of the resolution approving the Repurchase Mandate;
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong);
“Shareholder(s)”	holders of Shares;
“Share(s)”	ordinary shares of HK\$0.10 each in the share capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Repurchases approved by the Commission as amended from time to time.



SINOTRONICS HOLDINGS LIMITED

華翔微電子控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

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Executive Directors:

Mr. Lin Wan Qaing (*Chairman*)
Mr. Chen Yan Shun (*Vice-Chairman*)
Mr. Liu Zhao Cai (*Vice-Chairman*)
Mr. Xiang Song
Mr. Tong Yiu On

Independent Non-executive Directors:

Mr. Pan Chang Chi
Mr. Cai Xun Shan
Mr. Cheung Chuen

Registered Office:

Century Yard
Cricket Square
Hutchins Drive
P.O. Box 2681GT
George Town
Grand Cayman
British West Indies

Principal Office in Hong Kong:

Room 1805, 18th Floor
Harbour Centre
25 Harbour Road
Wanchai
Hong Kong

8th October, 2004

To the Shareholders

Dear Sirs or Madam,

GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES, RE-ELECTION OF RETIRING DIRECTORS, PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND NOTICE OF ANNUAL GENERAL MEETING

1. INTRODUCTION

At the AGM, resolutions will be proposed to i) grant to the Directors general mandates to repurchase and issue Shares; ii) extend general mandate to issue Shares; iii) re-elect the retiring Director; and iv) amend the Articles to reflect the recent amendments to Appendix 3 to the Listing Rules which have come into effect on 31st March, 2004. In compliance with the Listing Rules, this circular contains the explanatory statement and gives all the information reasonably necessary to

* for identification purpose only

enable the Shareholders to make informed decisions on whether to vote for or against the resolutions approving the Company to repurchase and issue Shares, to re-elect the retiring Director and to amend the Articles.

2. GENERAL MANDATE TO REPURCHASE SHARES

At the general meeting of the Company held on 4th November, 2003, an ordinary resolution was passed by the then Shareholders granting the existing Repurchase Mandate to the Directors.

An ordinary resolution will be proposed at the AGM to revoke the existing Repurchase Mandate and grant to the Directors a fresh Repurchase Mandate i.e. a general and unconditional mandate to repurchase Shares subject to the maximum number of shares of up to 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of such resolution. The fresh Repurchase Mandate will remain in effect until the earliest of (i) the date of the next annual general meeting; (ii) the date by which the next annual general meeting is required to be held by any applicable laws of the Cayman Islands or the Listing Rules; and (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

3. GENERAL MANDATE TO ISSUE SHARES

At the general meeting of the Company held on 4th November, 2003, an ordinary resolution was passed by the then Shareholders granting the existing Issue Mandate to the Directors.

An ordinary resolution will be proposed at the AGM to revoke the existing Issue Mandate and to grant to the Directors a fresh Issue Mandate i.e. a general and unconditional mandate to allot, issue and deal with, otherwise by way of rights issue or any option scheme or similar arrangements for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares in the Company or any shares of the Company issued as scrip dividends pursuant to the memorandum and articles of association of the Company, additional Shares with an aggregate nominal value not exceeding 20% of the aggregate of the total nominal value of the share capital of the Company in issue at the date of the passing of such resolution. The fresh Issue Mandate will remain in effect until the earliest of (i) the date of the next annual general meeting; (ii) the date by which the next annual general meeting is required to be held by any applicable laws of the Cayman Islands or the Listing Rules; and (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

4. EXTEND GENERAL MANDATE TO ISSUE SHARES

An ordinary resolution will be proposed at the AGM to extend the Issue Mandate by the addition to the aggregate nominal value of the share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the share capital of the Company repurchased by the Company pursuant to the Repurchase Mandate provided that such extended amount shall not exceed 10% of the aggregate of the total nominal value of the issued share capital of the Company on the date of passing the resolution approving the Issue Mandate.

5. RE-ELECTION OF DIRECTORS

In relation to ordinary resolution number 3 set out in the notice of the AGM regarding the re-election of retiring Director, Mr. Pan Chang Chi (“Mr. Pan”) shall retire as Director by rotation at the AGM pursuant to articles 87(1) and 87(2) of the Articles, and, being eligible, will offer himself for re-election. Mr. Pan, aged 52, is an independent non-executive director of the Group. He graduated from the Xiamen University (廈門大學), the PRC in 1998 with a master’s degree in law. He has gained extensive experience in financial management while working as a senior economist in the Fujian branch of the Bank of China. He currently holds senior position in Fujian International Corporation Limited (福建省國際投資有限公司).

Mr. Pan has not entered into any service contract with the Company or any of its subsidiaries that is not determinable by the Group within one year without payment of compensation, other than normal statutory compensation. He is receiving annual remunerations of HK\$10,000. The emolument is determined by reference to the Company’s standard scale of emoluments for independent non-executive Directors.

In relation to ordinary resolution number 3 regarding the re-election of retiring Directors, Mr. Chen Yan Shun (“Mr. Chen”) and Mr. Cheung Chuen (“Mr. Cheung”), shall retire as Directors at the AGM pursuant to article 86(3) of the Articles and, being eligible, will offer themselves for re-election.

Mr. Chen, aged 39, joined the Group on 17th September, 2004 and is responsible for overseeing the Group’s overall strategic planning and financial management. He holds a Master Degree in Economics from Beijing Technology and Business University (北京工商大學) and is a senior accountant in the People’s Republic of China. He specializes in corporate strategic planning and administration and has extensive experience in corporate restructuring and financing, securities-related matters and mergers and acquisitions. Prior to joining the Group, Mr. Chen was an executive director and a senior vice president of BOE Technology Group Co., Ltd. whose A and B shares are listed on the Shenzhen Stock Exchange. Mr. Chen is currently a non-executive director of TPV Technology Limited, a company listed on the Stock Exchange.

Mr. Chen entered into a service contract with the Company on 17th September, 2004. His initial term of office is for one year (which shall continue thereafter for successive terms of one year commencing from the day next after the expiry of the then current term pursuant to the Company’s Articles of Association). Mr. Chen will be entitled to receive annual remunerations of HK\$1.5 million with a discretionary management bonus on completion of every 12 months of service, which is determined based on the prevailing market rate.

Mr. Cheung, aged 30, a certified public accountant practicing in the United States of America and Hong Kong. Mr. Cheung graduated from Hong Kong Shue Yan College in 1999 with majoring in accounting and obtained a Master degree in professional accounting from the Hong Kong Polytechnic University in 2004. He is a member of the American Institute of Certified Public Accountants and an Associate member of the Hong Kong Institute of Certified Public Accountants (formerly known as Hong Kong Society of Accountants). Mr. Cheung has over the years gained extensive experience in accounting and auditing.

Mr. Cheung is currently an independent non-executive director of Broad Intelligence International Pharmaceutical Holdings Limited, a company listed on The Stock Exchange. Save as aforesaid, Mr. Cheung did not hold other directorships in any public listed companies in the past and he has never any positions with the Company or its subsidiaries.

There is no service contract entered into between Mr. Cheung and the Company. He is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association of the Company. Mr. Cheung will be entitled to a director's fee of HK\$45,000.00 per annum, which is determined based on the prevailing market rate.

Mr. Pan, Mr. Chen and Mr. Cheung do not have any relationships with any other Directors, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Group.

As at the Latest Practicable Date, Mr. Pan, Mr. Chen and Mr. Cheung do not hold any position in the Group nor have any interests or short positions related to the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO), which were notifiable to the Company and the Stock Exchange pursuant to Part XV of the SFO. Saved as disclosed above, there is no other matter in relation to the afore-proposed re-elections that needed to be brought to the attention of the Stock Exchange or the Shareholders.

6. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Stock Exchange had on 30th January, 2004 announced revisions to Appendix 3 of the Listing Rules. Such revisions to the Listing Rules took effect on 31st March, 2004 and include revisions to Appendix 3 to the Listing Rules which set out the requirements that the articles of association or, as the case may be, bye-laws of listed issuers or listing applicants shall comply with.

To ensure compliance with the revised Appendix 3 to the Listing Rules, listed issuers must alter their articles of association or, as the case may be, bye-laws at the earliest opportunity and, in any event, no later than the conclusion of their next annual general meeting after 31st March, 2004.

To align the Articles with the requirements of the revised Appendix 3 to the Listing Rules, the Board wishes to propose at the AGM to amend the Articles. The major amendments to the Articles are summarized as follows:

- (a) the new definitions of “associates”, “clearing house” and “Listing Rules” are proposed to be adopted following the enactment of the SFO on 1st April, 2003;
- (b) Articles 159 and 160(b) are proposed to be amended to enable the Company to send corporate communication to its Shareholders by electronic means pursuant to Rule 2.07A of the Listing Rules;
- (c) Article 160(d) is proposed to be amended to enable the Company to send corporate communication in English or Chinese language only, or in both the English language and the Chinese language to its Shareholders pursuant to Rule 2.07B of the Listing Rules;

LETTER FROM THE CHAIRMAN

- (d) Articles 76, 88 and 103 are proposed to be amended to reflect the recent amendments to Appendix 3 and Part B of Appendix 13 of the Listing Rules as follows:
1. a minimum seven-day period must be allowed for lodgment by Shareholders of a notice to nominate a Director and (if the notice is submitted after the dispatch of the notice of the general meeting appointed for such election) such period shall commence on the day after the dispatch of the notice of the meeting appointed for such election and end no later than seven days before the date of such meeting;
 2. Directors shall abstain from voting at the board meeting on any matter in which he/she or any of his/her associates has a material interest and are not to be counted towards the quorum of the relevant board meeting; and
 3. 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.

The full text of the proposed amendments to the Articles (including the tidying up amendments not described above) is set out in the proposed special resolution contained in resolution number 5D set out in the notice of the AGM on pages 11 to 22 of this circular.

7. ANNUAL GENERAL MEETING

The notice of the AGM is set out on pages 11 to 22 of this circular. At the AGM, resolutions will be proposed to approve, inter alia, the granting of the Repurchase Mandate and Issue Mandate and the extension of the Issue Mandate by the addition thereto of the number of Shares repurchased pursuant to the Repurchase Mandate, the re-election of retiring Director and the amendments to the Articles.

A form of proxy for use at the AGM is enclosed with this circular and such form of proxy is also published on the website of the Stock Exchange (www.hkex.com.hk). In order to be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited at the Company's Hong Kong branch share registrar and transfer office, Hong Kong Registrars Limited of Shops 1712–1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, together with a power of attorney or other authority, if any, under which it is signed or a certified copy of such power or authority, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting. The completion and return of the form of proxy will not preclude any Shareholder from attending and voting at the meeting if so wished.

8. PROCEDURES BY WHICH A POLL MAY BE DEMANDED

Pursuant to the existing article 66 of the Company, a resolution put to the vote of a general meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (i) by the chairman of such meeting; or
- (ii) by at least three Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or

LETTER FROM THE CHAIRMAN

- (iii) by any Shareholder(s) present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or
- (iv) by any Shareholder(s) present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy and holding Shares in the Company conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all Shares conferring that right.

A demand by a person as proxy for a Shareholder or in the case of a Shareholder being a corporation by its duly authorized representative shall be deemed to be the same as a demand by a Shareholder.

Pursuant to article 72 of the Articles, a Shareholder entitled to more than one vote on a poll need not use all his votes or cast all the votes he uses in the same way.

To the best of the knowledge and belief of the Board having made due and careful enquiries, none of the Shareholders is required to abstain from voting at the forthcoming AGM under the Listing Rules.

9. RECOMMENDATION

The Directors consider that the Repurchase Mandate, the Issue Mandate, the extension of the Issue Mandate, the re-election of the retiring Director and the proposed amendments to the Articles are in the best interests of the Company and the Shareholders. The Directors therefor recommend the Shareholders to vote in favour of the relevant resolutions as set out in the notice of the forthcoming AGM on pages 11 to 22.

10. GENERAL INFORMATION

As at the date of this announcement, the Board is comprised of eight Directors, of which five are executive Directors, namely Mr. Lin Wan Qaing, Mr. Chen Yan Shun Mr. Liu Zhao Cai, Mr. Xiang Song and Mr. Tong Yiu On and three are independent non-executive Directors, namely Mr. Pan Chang Chi, Mr. Cai Xun Shan and Mr. Cheung Chuen.

Your attention is also drawn to the additional information set out in the Explanatory Statement to this circular.

Yours faithfully,
For and on behalf of the Board
Sinotronics Holdings Limited
Lin Wan Qaing
Chairman

EXPLANATORY STATEMENT OF THE SHARE REPURCHASE MANDATE

The following explanatory statement contains all the information required pursuant to Rule 10.06 of the Listing Rules to be given to all Shareholders relating to a resolution to be proposed at the forthcoming AGM authorising the Repurchase Mandate.

1. EXERCISE OF THE REPURCHASE MANDATE

Exercise in full of the Repurchase Mandate, on the basis of 467,625,000 Shares in issue as at the Latest Practicable Date and no further Shares are issued or repurchased prior to the AGM, could accordingly result in up to 46,762,500 Shares being repurchased by the Company during the period ending 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 any applicable laws of Cayman Islands or the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

2. REASONS FOR REPURCHASE

The Directors have no present intention to repurchase any Shares but consider that the mandate will provide the Company the flexibility to make such repurchase when appropriate and beneficial to the Company and the Shareholders as a whole. Such repurchase may enhance the net assets value per share and/or earnings per Share.

3. GENERAL

As compared with the financial position of the Company as at 30th June, 2004 (being the date of its latest published audited financial statements), the Directors consider that there would be a material adverse impact on the working capital and on the gearing position of the Company in the event that the proposed purchases were to be carried out in full during the proposed purchase period. No purchase would be made in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.

4. FUNDING OF REPURCHASE

Repurchases must be made of the funds legally available for the purpose in accordance with the memorandum and articles of association of the Company and the applicable laws and regulations of the Cayman Islands and the Listing Rules. The Companies laws (2004 Revision) of the Cayman Islands (the “Laws”) provide that a share repurchase 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 the articles of association of the Company and subject to the provisions of the Laws, out of capital. Any premium payable on a repurchase over the par value of the Shares repurchased or conditionally or unconditionally 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 the articles of association of the Company and subject to the provisions of the Laws, out of capital.

Taking into account, as compared with the financial position of the Company as at 30th June, 2004 (being the date of its latest published audited financial statements), the Directors consider that there would be a material adverse impact on the working capital and on the gearing position of the Company in the event that the proposed Repurchase Mandate were to be exercised in full during the proposed repurchase period. However, the Directors confirm that none of them have any intention to make any repurchase would be made in circumstances that would have a material adverse impact on the working capital or gearing position of the Company from time to time appropriate.

5. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

None of the Directors nor, to the best of their knowledge and belief having made all reasonable enquiries, any of their associates (as defined in the Listing Rules), has any present intention, in the event that the Repurchase Mandate is approved by Shareholders, to sell Shares to the Company.

No connected person (as defined in the Listing Rules) of the Company has notified the Company that he/she neither has a present intention to sell any Shares to the Company nor has he/she undertaken not to do so in the event that the Company is authorised to make repurchases of Shares.

6. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases pursuant to the Repurchase Mandate in accordance with the Listing Rules and all applicable laws of the Cayman Islands, and in accordance with the regulations set out in the memorandum and articles of association of the Company.

7. EFFECT OF TAKEOVERS CODE

If on exercise of the power to repurchase Shares pursuant to Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert could, depending on the level of increase of Shareholders' interest, obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code. The Directors are not aware of any Shareholders, or a group of Shareholders acting in concert, who may become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code in the event that the Directors exercise the power to repurchase Shares pursuant to the Repurchase Mandate.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, Mr. Lin Wan Qaing, the Chairman and an executive Director of the Company who held approximately 52.45% of the issued share capital of the Company, was the substantial Shareholder of the issued share capital of the Company. In the event that the Directors should exercise in full the powers to repurchase Shares pursuant to the Repurchase Mandate, the shareholding of Mr. Lin Wan Qaing in the Company would be increased to approximately 58.28% of the issued share capital of the Company and such increase would not give rise to an obligation to make a mandatory offer under Rules 26 and 32 of the Takeovers Code. The Directors have no present intention to exercise the Repurchase Mandate to such an extent that it would trigger a takeover obligation by the controlling shareholder. Save as aforesaid, the Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate. The Directors may not purchase Shares on the Stock Exchange if that purchase 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.

8. SHARE PURCHASE MADE BY THE COMPANY

During each of the six months preceding the Latest Practicable Date, no Shares have been repurchased by the Company.

9. SHARE PRICES

During the previous twelve months before the Latest Practicable Date, the highest and lowest traded prices for Shares on the Stock Exchange were as follows:

Months	Price Per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2003		
October	1.47	1.27
November	1.46	1.27
December	1.58	1.40
2004		
January	1.53	1.34
February	1.40	1.29
March	1.34	1.01
April	1.14	0.92
May	0.97	0.74
June	0.89	0.62
July	0.90	0.74
August	0.92	0.74
September	0.89	0.75



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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Sinotronics Holdings Limited (the “Company”) will be held at Salon II, Mezzanine Floor, Grand Hyatt Hong Kong, No. 1 Harbour Road, Wanchai, Hong Kong on Tuesday, 16th November, 2004 at 10:00 a.m. for the following purposes:

1. to receive and consider the audited financial statements and the reports of the directors and the auditors for the year ended 30th June, 2004;
2. to declare a final dividend for the year ended 30th June, 2004;
3. to re-elect Directors and to authorise the Board to fix the Directors’ remunerations;
4. to re-appoint auditors and to authorise the Board to fix their remuneration; and
5. as special businesses, to consider, and if thought fit, pass the following ordinary and special resolutions:

ORDINARY RESOLUTIONS

A. “THAT

- (a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase shares in the capital of the Company (“Shares”), subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the Shares repurchased or agreed conditionally or unconditionally to be repurchased by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the Shares in issue as at the date of the passing of this resolution and the said approval be limited accordingly; and

* for identification purpose only

NOTICE OF ANNUAL GENERAL MEETING

(c) for the purposes of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier 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 required by the articles of association of the Company or any applicable laws of the Cayman Islands to be held; and
- (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

B. “THAT

- (a) subject to paragraph (c) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional Shares and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) 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 power after the end of the Relevant Period;
- (c) 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 (a), otherwise than pursuant to (i) a Rights Issue (as hereinafter defined) or (ii) the exercise of the subscription rights or conversion under the terms of any warrants or other securities issued by the Company as at the date of this Resolution carrying a right to subscribe for or purchase Shares or otherwise convertible into Shares, or (iii) the exercise of the subscription rights under the share option scheme of the Company, or (iv) any scrip dividend or similar arrangements providing for the allotment of shares in lieu of the whole or part of a dividend on Shares in accordance with the memorandum and articles of association of the Company, from time to time shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this Resolution and the said approval shall be limited accordingly; and
- (d) for the purposes 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 required by the articles of association of the Company or any applicable laws of the Cayman Islands to be held; and

NOTICE OF ANNUAL GENERAL MEETING

- (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.

“Rights Issue” means an offer of shares or an offer of warrants, options or other securities giving right to subscribe for shares, open for a period fixed by the Directors of the Company 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 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 any recognized regulatory body or any stock exchange in any territory outside Hong Kong applicable to the Company).”

C. “THAT

Conditional upon Ordinary Resolution nos. 5A and 5B above being passed, the aggregate nominal amount of the number of shares in the capital of the Company which are repurchased by the Company under the authority granted to the Directors as mentioned in Ordinary Resolution no. 5A above shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company pursuant to Ordinary Resolution no. 5B above.”

SPECIAL RESOLUTION

D. “THAT

The articles of association of the Company be and are hereby amended as follows:

(a) Article 2(1)

- i. by inserting the following new definition after “Articles”:

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

- ii. by deleting the existing definition of “clearing house” in its entirety and substituting therefor the following new definition:

““clearing house” shall mean a clearing house or authorised share depository recognised by the laws of the jurisdiction in which the shares of the Company are listed or quoted on a stock exchange in such jurisdiction.”;

- iii. by inserting the following new definition after “competent regulatory authority”:

““corporate communication” shall have the meaning ascribed thereto under the rules of the Designated Stock Exchange.”;

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- iv. by adding the following new definition after “head office”:

““Hong Kong” shall mean the Hong Kong Special Administrative Region of the People’s Republic of China.”;

- v. by inserting the following new definition after “Law”:

““Listing Rules” shall mean such rules, regulations or codes of the Designated Stock Exchange in the Relevant Territory, as amended from time to time.”;

- vi. by inserting the existing definition of “Subsidiary and Holding Company” in its entirety and substituting therefor the following new definition:

““Subsidiary and Holding Company” shall have the meanings attributed to them in section 2 of the Hong Kong Companies Ordinance, but interpreting the term “subsidiary” in accordance with the definition under the rule 1.01 in the Listing Rules.”;

(b) Article 2

- i. by deleting paragraph (2)(e) in its entirety and substituting therefor the following:

“(e) expressions referring to writing shall, unless the contrary intention appears, be construed as including printing, lithography, photography and other modes of representing words or figures in a visible form, and include where the representation take the form of electronic display, provided that both the mode of service of the relevant document or notice and the Member’s election comply with all applicable Laws, rules and regulations.”;

- ii. by deleting the full-stop at the end of paragraph (2)(g) and replacing it with a semicolon and the word “and”, and inserting immediately thereafter the following new paragraph (2)(h):

“(h) references to a document being executed include references to it being executed under hand or under seal or by electronic signature or by any other method and references to a notice or document include a notice or document recorded or stored in any digital, electronic, electrical, magnetic or other retrievable form or medium and information in visible form whether having physical substance or not.”;

(c) Article 44

- i. by inserting the words “or, by any electronic means in such manner” immediately after the words “any other newspapers” on the eighth line;

(d) Article 46

- i. by inserting the words “or in a form prescribed by the Designated Stock Exchange” after the words “or common form” on the second line;

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(e) Article 48

- i. by deleting paragraph (2) in its entirety and substituting therefor the following:

“(2) No transfer of share, except when permitted by the Designated Stock Exchange, shall be made to an infant or to a person of unsound mind or under other legal disability.”

(f) Article 51

- i. by inserting the words “or, by any electronic means in such manner” immediately after the words “newspapers” on the third line;

(g) Article 66

- i. by deleting the word “demanded” on the twelve line and substituting therefor the following words:

“duly demanded or otherwise required under the Listing Rules. A poll may be demanded”;

(h) Article 67

- i. by inserting immediately after the words “Unless a poll is duly demanded and the demand is not withdrawn” on the first line the following:

“or unless a poll otherwise required under the Listing Rules,”;

(i) Article 76

- i. by re-numbering the existing article 76 as article 76(1) and inserting immediately thereafter the following as new article 76(2):

“(2) Where the Company has actual knowledge that any Member is, under the rules of the Designated Stock Exchange, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such Member in contravention of such requirement or restriction shall not be counted.”;

(j) Article 84

- i. by deleting the existing paragraph (2) in its entirety and substituting therefor the following:

“(2) Where a Member is a clearing house (or its nominee(s) and in each case, being a corporation), it may authorise such person(s) as it thinks fit to act as its representative(s) at any meeting of the Company or at any meeting of any class of Members provided that the authorisation shall specify the number and class of shares in respect of which each such person so authorised. Each person so authorised under the provisions of this Article shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise

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the same rights and powers on behalf of the clearing house (or its nominee(s)) in respect of the number and class of shares specified in the relevant authorisation including the right to vote individually on a show of hands.”;

(k) Article 88

- i. by deleting the existing article 88 in its entirety and substituting therefor the following:

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

(l) Article 103

- i. by deleting the existing article 103 in its entirety and substituting therefor the following:

“103. (1) A Director shall not vote (nor be counted in the quorum) on any resolution of the Board in respect of any contract or arrangement or any other proposal in which he or any of his associates is to the knowledge of such Director materially interested, but this prohibition shall not apply to any of the following matters namely:

- (i) any contract or arrangement for the giving by the Company of any security or indemnity to the Director or his associate(s) in respect of money lent by him or any of his associates or obligations incurred or undertaken by him or any of his associates at the request of or for the benefit of the Company or any of its subsidiaries;
- (ii) any contract or arrangement for the giving by the Company of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (iii) any contract or arrangement or proposal concerning an offer of the shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in

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for subscription or purchase where the Director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;

- (iv) any contract or arrangement in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company;
 - (v) any concerning any other company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or a shareholder or in which the Director or his associate(s) is/are beneficially interested in shares of that company provided that the Director and any of his associates are not in aggregate beneficially interested in five (5) per cent. or more of the issued shares of any class of such company (or of any third company through which his interest or that of any of his associates is derived) or of the voting rights; and
 - (vi) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including the adoption, modification or operation of a share option scheme, under which the director or his associate(s) may benefit; or the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme or other arrangement which relates both to directors, his associates and employees of the Company or of its subsidiaries and does not provide in respect of any Director or his associate(s) as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates.
- (2) A Company shall be deemed to be a company in which a Director and/or associate(s) has an interest of five (5) per cent. or more if and so long as (but only if and so long as) he and/or his associates, (either directly or indirectly) is/are the holder(s) of or beneficially interested in five (5) per cent. or more of the issued shares of any class of the equity share capital of such company or of the voting rights available to members of such company (or of any third company through which his interest or that of any of his associates is derived). For the purpose of this paragraph there shall be disregarded any shares held by a Director and/or his associate(s) as bare or custodian trustee and in which he or any of them has no beneficial interest, any shares comprise in a trust in which the interest of the Director or his associate(s) is/are in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust scheme in which the Director or his associate(s) is/are interested only as a unit holder and any shares which carry no voting right at general meetings and very restrictive dividend and return of capital right.

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- (3) Where a company in which a Director and/or his associate(s) has an interest of five (5) per cent. or more is materially interested in a transaction, then that Director and/or his associate(s) shall also be deemed materially interested in such transaction.
- (4) If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the chairman of the meeting) or his associate(s) or as to the entitlement of any Director (other than such chairman) to vote or be counted in the quorum and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director and/or his associate(s) concerned as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the chairman of the meeting such question shall be decided by a resolution of the Board (for which purpose such chairman shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman and/or associate(s) as known to such chairman has not been fairly disclosed to the Board.
- (5) The Company may by Ordinary Resolution ratify any transaction not duly authorised by reason of a contravention of this Article provided that no Director who is or whose associate(s) is/are materially interested in such transaction, together with any of his associates, shall vote upon such Ordinary Resolution in respect of any shares in the Company in which they are interested.”;

(m) Article 152

- i. by deleting the existing article 152 in its entirety and substituting therefor the following:

“152. Subject to Article 152A, a printed copy of the Directors’ report, accompanied by the balance sheet and profit and loss account, including every document required by law to be annexed thereto, made up to the end of the applicable financial year and containing a summary of the assets and liabilities of the Company under convenient head and a statement of income and expenditure, together with a copy of the Auditors’ report and the notice of the annual general meeting in the manner in which Notices may be served by the Company, shall be sent to each person entitled thereto at least twenty one (21) days before the date of the general meeting, be delivered or sent by post to the registered address of every Member and laid before the Company at the annual general meeting held in accordance with Article 56 provided that this Article shall not require a copy of those documents to be sent to any person whose address the Company is not aware of or to more than one of the joint holders of any shares or debentures.”

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“152A. Subject to due compliance with all applicable Statutes, rules and regulations, including, without limitation, the rules of the Designated Stock Exchange, and to obtaining all necessary consents, if any, required thereunder, the requirements of Article 152 shall be deemed satisfied in relation to any person by sending to the person in any manner not prohibited by the Statutes, a summary financial statement derived from the Company’s annual accounts and the directors’ report which shall be in the form and containing the information required by applicable laws and regulations, provided that any person who is otherwise entitled to the annual financial statements of the Company and the directors’ report thereon may, if he so requires by notice in writing served on the Company, demand that the Company sends to him, in addition to a summary financial statement, a complete printed copy of the Company’s annual financial statement and the directors’ report thereon.”

“152B. The requirement to send to a person referred to in Article 152 the documents referred to in that article or a summary financial report in accordance with Article 152A shall be deemed satisfied where, in accordance with all applicable Statutes, rules and regulations, including, without limitation, the rules of the Designated Stock Exchange, the Company publishes copies of the documents referred to in Article 152 and, if applicable, a summary financial report complying with Article 152A, on the Company’s computer network or in any other permitted manner (including by sending any form of electronic communication), and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company’s obligation to send to him a copy of such documents.”

(n) Article 153

- i. by deleting the existing paragraph (1) in its entirety and substituting therefor the following:

“153. (1) The Board may before the first annual general meeting appoint an auditor or auditors of the Company who shall hold office until the first annual general meeting unless previously removed by an Ordinary Resolution of the Members in general meeting in which case the Members at that meeting may appoint Auditors. The Members shall, at the annual general meeting or at a subsequent extraordinary general meeting in each year, appoint an auditor to audit the accounts of the Company and such auditor shall hold office until the next annual general meeting. Such auditor may be a Member but no Director or officer or employee of the Company shall, during his continuance in office, be eligible to act as an auditor of the Company.”;

- ii. by deleting the existing paragraph (2) in its entirety and renumbering the existing paragraph (3) as paragraph (2);

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(o) Article 155

- i. by deleting the existing article 155 in its entirety and substituting therefor the following:

“155. The remuneration of the Auditors shall be fixed by the Company at the annual general meeting at which they are appointed provided that in respect of any particular year the Company in general meeting of any particular year the Company in general meeting may delegate the fixing of such remuneration to the Board.”;

(p) Article 156

- i. by deleting the words “convene an extraordinary general meeting to fill the vacancy” and substituting therefor the following:

“to fill the vacancy and fix the remuneration of the Auditor so appointed”;

(q) Article 159

- i. by deleting the existing article 159 in its entirety and substituting therefor the following:

“159. Any Notice or document (including any corporate communication) to be given or issued under these Articles from the Company to a Member shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or communication and any such notice and document may be served or delivered by the Company on or to any Member either personally or by sending it through the post in a prepaid envelope addressed to such Member at his registered address as appearing in the Register or at any other address supplied by him to the Company for the purpose or, as the case may be, by transmitting it to any such address or transmitting it to any telex or facsimile transmission number or electronic number or address or website supplied by him to the Company for the giving of Notice to him or which the person transmitting the notice reasonably and bona fide believes at the relevant time will result in the Notice being duly received by the Member or may also be served by advertisement in appropriate newspapers in accordance with the requirements of the Listing Rules or, to the extent permitted by the applicable laws, by placing it on the Company’s website or the website of the Designated Stock Exchange and giving to the member a notice stating that the notice or other document is available there (a “notice of availability”). The notice of availability may be given to the member by any of the means set out above. In the case of joint holders of a share all notices shall be given to that one of the joint holders whose name stands first in the Register and notice so given shall be deemed a sufficient service on or delivery to all the joint holders.”;

(r) Article 160

- i. by deleting the word “and” at the end of paragraph (a);

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- ii. by deleting the existing paragraph in its entirety and substituting therefor the following:
 - (b) if sent by electronic communication, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent. A notice placed on the Company's website or the website of the Designated Stock Exchange, is deemed given by the Company to a Member on the day following that on which a notice of availability is deemed served on the Member;"
 - iii. by inserting immediately after paragraph (b) the following new paragraph (c):
 - (c) If served or delivered in any other manner contemplated by these Articles, shall be deemed to have been served or delivered at the time of personal service or delivery or, as the case may be, at the time of relevant dispatch, publication or transmission; and in proving such service or delivery a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board as to the act and time of such service, delivery, dispatch, publication or transmission shall be conclusive evidence thereof; and"
 - iv. by inserting the following new paragraph (d):
 - (d) may be given to a Member in the English language only, or in the Chinese language only, or in both the English language and the Chinese language, subject to due compliance with all applicable Statutes, rules and regulations, including, without limitation, the Listing Rules."; and
- (s) **Article 162**
- i. by inserting immediately after the words "a cable or telex or facsimile" on the first line the words "or electronic".

Yours faithfully,
For and on behalf of the Board of
Sinotronics Holdings Limited
Lin Wan Qaing
Chairman

Hong Kong, 8th October, 2004

NOTICE OF ANNUAL GENERAL MEETING

Principal Office:

Room 1805, 18th Floor
Harbour Centre
25 Harbour Road
Wanchai
Hong Kong

Notes:

- (1) A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint proxies to attend and vote in his stead. A Member entitled to attend and vote at the above meeting may appoint one or more than one proxy to attend and to vote in his stead. A proxy need not be a member of the Company. In order to be valid, the form of proxy must be completed and deposited at the Company's Hong Kong branch share registrar and transfer office, Hong Kong Registrars Limited of Shops 1712–1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong together with a power of attorney or other authority, if any, under which it is signed or a certified copy of such power or authority, not less than 48 hours before the time for holding the meeting or adjourned meeting. The completion and return of the form of proxy will not preclude any Shareholder from attending and voting at the meeting if so wished.
- (2) The Register of Members of the Company will be closed from 10th November, 2004 to 16th November, 2004, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for receiving the final dividends and attending the forthcoming Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Hong Kong Registrars Limited of Shops 1712–1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:00 p.m. on 9th November, 2004.