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

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

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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**SUGA INTERNATIONAL HOLDINGS LIMITED**

**信佳國際集團有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 912)**

**PROPOSAL FOR REFRESHMENT OF THE LIMIT  
UNDER THE SHARE OPTION SCHEME**

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A notice convening a special general meeting of Suga International Holdings Limited (the "Company") to be held at Units 1904 – 7, 19<sup>th</sup> Floor, Chevalier Commercial Centre, 8 Wang Hoi Road, Kowloon Bay, Kowloon, Hong Kong on Wednesday, 15 December 2004 at 10:00 a.m. or any adjournment thereof is set out on pages 6 to 7 of this circular. Whether or not you intend to attend and vote at the meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at 46<sup>th</sup> Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

29 November 2004

*\* for identification purpose only*

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## DEFINITIONS

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

|                           |                                                                                                                                                                                                                                          |
|---------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Board”                   | the board of Directors                                                                                                                                                                                                                   |
| “Bye-Laws”                | the bye-laws of the Company                                                                                                                                                                                                              |
| “Company”                 | Suga International Holdings Limited, an exempted company incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange                                                                         |
| “Director(s)”             | the director(s) of the Company                                                                                                                                                                                                           |
| “Group”                   | the Company and its subsidiaries                                                                                                                                                                                                         |
| “Hong Kong”               | the Hong Kong Special Administrative Region of the People’s Republic of China                                                                                                                                                            |
| “Latest Practicable Date” | 22 November 2004, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein                                                                                         |
| “Listing Rules”           | the Rules Governing the Listing of Securities on the Stock Exchange                                                                                                                                                                      |
| “Scheme Limit”            | the 10% limit of the total number of Shares issuable upon exercise of options to be granted under the Share Option Scheme                                                                                                                |
| “SGM”                     | the special general meeting of the Company to be convened and held at Units 1904 – 7, 19 <sup>th</sup> Floor, Chevalier Commercial Centre, 8 Wang Hoi Road, Kowloon Bay, Kowloon, Hong Kong on Wednesday, 15 December 2004 at 10:00 a.m. |
| “SGM Notice”              | the notice of the SGM as set out on pages 6 to 7 of this circular                                                                                                                                                                        |
| “Share(s)”                | ordinary share(s) of HK\$0.10 each in the share capital of the Company                                                                                                                                                                   |
| “Shareholder(s)”          | holder(s) of the Share(s)                                                                                                                                                                                                                |
| “Share Option Scheme”     | the share option scheme adopted by the Company on 17 September 2002                                                                                                                                                                      |
| “Stock Exchange”          | The Stock Exchange of Hong Kong Limited                                                                                                                                                                                                  |
| “%”                       | per cent.                                                                                                                                                                                                                                |

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LETTER FROM THE BOARD

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**SUGA INTERNATIONAL HOLDINGS LIMITED**

**信佳國際集團有限公司\***

*(incorporated in Bermuda with limited liability)*

**(Stock code: 912)**

*Executive Directors:*

Mr. Ng Chi Ho (*Chairman*)

Mr. Ma Fung On (*Vice Chairman*)

Mr. Wong Wai Lik, Lamson

*Non-Executive Director:*

Mr. Kyle Arnold Shaw, Jr.

*Independent Non-Executive Directors:*

Professor Wong Sook Leung, Joshua

Mr. Murase Hiroshi

Mr. Leung Yu Ming, Steven

*Registered office:*

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

*Head Office and Principal*

*Place of Business:*

Units 1904-7, 19<sup>th</sup> Floor

Chevalier Commercial Centre

8 Wang Hoi Road

Kowloon Bay

Kowloon

Hong Kong

29 November 2004

*To the Shareholders*

Dear Sir or Madam,

**PROPOSAL FOR REFRESHMENT OF THE LIMIT  
UNDER THE SHARE OPTION SCHEME**

**INTRODUCTION**

The purpose of this circular is to provide the Shareholders with information in respect of the resolution to be proposed at the SGM for the refreshment of the Scheme Limit under the Share Option Scheme.

*\* for identification purpose only*

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## LETTER FROM THE BOARD

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### REFRESHMENT OF THE LIMIT UNDER THE SHARE OPTION SCHEME

The Company adopted the Share Option Scheme on 17 September 2002. The purpose of the Share Option Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contributions to the Group. The Directors consider the Share Option Scheme, with its broadened basis of participation, will enable the Group to reward the employees, the Directors and other selected participants for their contributions to the Group and will also assist the Group in its recruitment and retention of high caliber professionals, executives and employees who are instrumental to the growth of the Group.

Pursuant to the Share Option Scheme, the maximum number of Shares in respect of which options may be granted under the Share Option Scheme must not exceed 10% of the issue share capital of the Company as at the adoption date of the Share Option Scheme. As at 17 September 2002 (being the date of adoption of the Share Option Scheme), the Company had 200,000,000 issued Shares and therefore the Company may grant options to subscribe for up to 20,000,000 Shares.

As at the Latest Practicable Date, there were in issue an aggregate of 227,940,000 Shares and a total of 18,600,000 share options have been granted by the Company since the adoption of the Share Option Scheme. With a total of 4,140,000 share options exercised and a total of 50,000 share options lapsed since the adoption of the Share Option Scheme, options carrying the rights to subscribe for up to a total of 1,450,000 Shares, representing approximately 0.64% of the existing issued Shares of the Company, remain outstanding as at the Latest Practicable Date.

Save as disclosed above and assuming no further issue or repurchase of Shares prior to the SGM, upon the refreshment of the Scheme Limit under the Share Option Scheme by Shareholders at the SGM, the Company may grant options entitling holders thereof to subscribe for 22,794,000 Shares (representing 10% of Shares in issue as at the date of refreshing the Scheme Limit). No options may be granted if this will result in the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme exceed 30% of the Shares in issue from time to time.

At the SGM, an ordinary resolution will be proposed to the Shareholders to refresh the limit on the grant of options under the Share Option Scheme to 10% of the number of Shares in issue as at the date of approval of such resolution.

Granting of options under the refreshed Scheme Limit is conditional upon the passing of an ordinary resolution (as set out in the SGM Notice on pages 6 to 7 of this circular) and the Listing Committee of the Stock Exchange granting the approval of the listing of, and permission to deal in, any new Shares, representing a maximum of 10% of the Shares in issue as at the date of approval of the resolution for the refreshment of Scheme Limit, which may be issued upon exercise of options granted under the refreshed Scheme Limit.

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## LETTER FROM THE BOARD

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Application will be made to the Stock Exchange for granting approval of the listing of, and permission to deal in, the new Shares which may be issued upon exercise of options granted under the refreshed Scheme Limit, being up to a maximum of 10% of the Shares in issue as at the date of approval of the resolution for refreshment of the Scheme Limit.

### SGM

Set out on pages 6 to 7 of this circular is a notice convening the SGM to consider and, if appropriate, to approve the ordinary resolution relating to the refreshment of Scheme Limit under the Share Option Scheme.

A form of proxy for use at the SGM is enclosed herewith. If you are not able to attend and/or vote at the SGM in person, you are requested to complete the form of proxy and return it to the Company's branch share registrar and registration office in Hong Kong, Computershare Hong Kong Investor Services Limited at 46<sup>th</sup> Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding of the SGM. Completion and returning of a form of proxy will not preclude you from attending and voting at the SGM or any adjourned meetings if you so wish.

Pursuant to Bye-law 73 of the Bye-Laws, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:

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

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## LETTER FROM THE BOARD

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### RECOMMENDATION

Having considered the reasons set out herein, the Directors consider that the proposed ordinary resolution for refreshment of the Scheme Limit under the Share Option Scheme is in the best interest of the Company and accordingly, recommend all Shareholders to vote in favour of such ordinary resolution at the SGM.

### MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

Yours faithfully,  
For and on behalf of the Board  
**Suga International Holdings Limited**  
**Ng Chi Ho**  
*Chairman*

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## NOTICE OF SPECIAL GENERAL MEETING

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### SUGA INTERNATIONAL HOLDINGS LIMITED

### 信佳國際集團有限公司\*

*(incorporated in Bermuda with limited liability)*

**(Stock code: 912)**

**NOTICE IS HEREBY GIVEN THAT** a Special General Meeting of Suga International Holdings Limited (the “Company”) will be held at Units 1904 – 7, 19<sup>th</sup> Floor, Chevalier Commercial Centre, 8 Wang Hoi Road, Kowloon Bay, Kowloon, Hong Kong on Wednesday, 15 December 2004 at 10:00 a.m. to consider and, if thought fit, pass with or without modifications, the following resolution as an Ordinary Resolution:-

“**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of and permission to deal in the shares of HK\$0.10 each in the capital of the Company issuable upon exercise of the options to be granted pursuant to the authority hereby given, the board of directors of the Company be and is hereby authorized to grant options under the share option scheme of the Company adopted on 17 September 2002 pursuant to which Shares representing up to 10 per cent. of the number of Shares in issue as at the date of passing of this resolution may be issued upon the exercise of such options (the “Refreshed Scheme Limit”) and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Refreshed Scheme Limit.”

For and on behalf of the Board  
**Suga International Holdings Limited**  
**Chan Kwan Hei, Anthea**  
*Company Secretary*

Hong Kong, 29 November 2004

Notes:

1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint one or, if he is the holder of two or more shares, more proxies to attend and vote instead of him. A proxy need not be a member of the Company.

*\* for identification purpose only*



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## NOTICE OF SPECIAL GENERAL MEETING

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2. In the case of joint holders of shares in the Company, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holder(s), seniority being determined by the order in which names stand in the register of members.
3. In order to be valid, the form of proxy must be in writing under the hand of the appointor or of his attorney duly authorized in writing, or if the appointor is a corporation, either under seal, or under the hand of an officer or attorney or other person duly authorized, and must be deposited with the Hong Kong branch share registrars of the Company, Computershare Hong Kong Investor Services Limited at 46<sup>th</sup> Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (together with the power of attorney or other authority, if any, under which it is signed or a certified copy thereof) not less than 48 hours before the time fixed for holding of the Meeting.
4. As at the date of this notice, the board of directors of the Company comprises Mr. Ng Chi Ho, Mr. Ma Fung On and Mr. Wong Wai Lik, Lamson as executive directors, Mr. Kyle Arnold Shaw, Jr. as non-executive director, and Professor Wong Sook Leung, Joshua, Mr. Murase Hiroshi and Mr. Leung Yu Ming, Steven as independent non-executive directors.