

If you are in any doubt as to any aspect of 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 Jessica Publications Limited, you should at once hand this circular and the accompanying proxy form to the purchaser or the 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 circular.

The logo features the word "JESSICA" in a large, serif font. To the left of the "J" is a vertical stack of Chinese characters "旭業" (Jessica Publications). Below "JESSICA" is the text "JESSICA PUBLICATIONS LIMITED" in a bold, sans-serif font, followed by "(Incorporated in the Cayman Islands with limited liability)" in a smaller, italicized font.
JESSICA PUBLICATIONS LIMITED
(Incorporated in the Cayman Islands with limited liability)

**PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT
UNDER THE SHARE OPTION SCHEME
AND
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an annual general meeting of Jessica Publications Limited to be held at 28th Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong on Tuesday, 29 April 2003 at 10:00 a.m. is set out on pages 11 to 14 of this circular.

A proxy form for use at the annual general meeting is enclosed with this circular. Whether or not you are able to attend the meeting, you are requested to complete the proxy form in accordance with the instructions printed thereon and return the same to the Company's Share Registrar, Standard Registrars Limited at G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the annual general meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting at the annual general meeting or any adjournment thereof should you so wish.

This circular, for which the directors of Jessica Publications Limited collectively and individually accept full responsibility, includes particulars given in compliance with The Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to Jessica Publications Limited. The directors of Jessica Publications Limited, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this circular is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this circular misleading; and (iii) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This circular will remain on the GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of posting and on the website of Jessica Publications Limited at www.jessicahk.com.

CHARACTERISTICS OF GEM

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

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

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

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be convened and held at 28th Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong on Tuesday, 29 April 2003 at 10:00 a.m., notice of which is set out on pages 11 to 14 of this circular
“Board”	the Company’s board of Directors
“Company”	Jessica Publications Limited, an exempted company incorporated in the Cayman Islands on 29 June 2001 with limited liability, the shares of which are listed on GEM (GEM stock code: 8137)
“Director(s)”	the director(s) of the Company
“GEM”	the Growth Enterprise Market operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandates”	the general and unconditional mandates proposed under ordinary resolutions numbered 5(A) and 5(C) in the notice of the AGM set out on pages 11 to 14 of this circular to be granted to the Directors to (i) allot and issue securities of the Company up to an aggregate nominal amount not exceeding 20% of the aggregate nominal value of the issued share capital of the Company on the date of the passing of the said ordinary resolution; (ii) to extend the mandate in (i) above by an amount representing the aggregate nominal amount of the Shares repurchased by the Company made pursuant to and in accordance with the Repurchase Mandate
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	21 March 2003, being the latest practicable date prior to the printing of the circular for ascertaining certain information contained herein
“Participants”	full time or part time employee (including any executive and non-executive director or proposed executive and non-executive director) of the Group, adviser, consultant, contractor, client or supplier who have contributed to the Group

DEFINITIONS

“Placing”	the placing of 50,647,988 new Shares at HK\$0.25 per Share on and subject to the terms and conditions described in the Prospectus
“Prospectus”	the prospectus of the Company dated 31 December 2001
“Repurchase Mandate”	the general and unconditional mandate proposed under ordinary resolution numbered 5(B) in the notice of the AGM set out on pages 11 to 14 of this circular to be granted to the Directors to repurchase the Company’s securities up to an aggregate nominal amount not exceeding 10% of the aggregate nominal value of the issued share capital of the Company on the date of the passing of the said ordinary resolution
“Scheme Mandate Limit”	the maximum number of Shares which may be issued upon the exercise of all options granted under the Share Option Scheme and any other share option scheme(s) of the Company, being 10% of the Company’s issued share capital immediately following completion of the Placing, which may be refreshed pursuant to the rules of the Share Option Scheme
“Share(s)”	ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Share Option Scheme”	the share option scheme conditionally adopted by the Company on 20 December 2001 and became effective on 8 January 2002, the principal terms of which are summarised under the sub-section headed “Share Option Scheme” in Appendix IV to the Prospectus
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholder”	has the meaning ascribed to it under Rule 1.01 of the GEM Listing Rules
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.



JESSICA PUBLICATIONS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Executive Directors:

Mr. Ng Hung Sang, Robert (*Chairman*)

Ms. Ng, Jessica Yuk Mui
(*Chief Executive Officer*)

Ms. Foo Kit Tak

Ms. Cheung Mei Yu

Independent Non-Executive Directors:

Mr. So, George Siu Ming

Ms. Pong Oi Lan, Scarlett

Registered Office:

The Offices of M & C

Corporate Services Limited

P.O. Box 309

George Town

Grand Cayman

Cayman Islands

British West Indies

Head Office and Principal

Place of Business in Hong Kong:

Unit C, 3rd Floor

Wah Shing Centre

5 Fung Yip Street

Chai Wan

Hong Kong

26 March 2003

*To the Shareholders and
for information only, option holders*

Dear Sir or Madam,

**PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT
UNDER THE SHARE OPTION SCHEME
AND
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with the relevant information regarding, inter alia, the proposed refreshment of the Scheme Mandate Limit on the grant of options under the Share Option Scheme and the granting of the General Mandates and the Repurchase Mandate and to give you notice of the AGM at which ordinary resolutions will be proposed to consider, and if thought fit, approve at the AGM, among other matters, the refreshment of the Share Mandate Limit and the granting of the General Mandates and the Repurchase Mandate.

LETTER FROM THE BOARD

REFRESHMENT OF THE SCHEME MANDATE LIMIT

On 20 December 2001, the Company adopted the Share Option Scheme, which became effective on 8 January 2002. Apart from the Share Option Scheme, the Company has no other share option scheme.

Under the GEM Listing Rules and the Share Option Scheme, the total number of Shares which may be issued upon exercise of all options which may be granted under the Share Option Scheme and any other share option schemes of the Company shall not exceed 50,647,987 Shares, being 10% of the total number of Shares in issue immediately following completion of the Placing (being the Scheme Mandate Limit).

The Company will seek approval of the Shareholders in general meetings to refresh the Scheme Mandate Limit provided that:

- (a) the Scheme Mandate Limit so refreshed must not exceed 10% of the issued share capital of the Company at the date of the approval of the refreshed limit by the Shareholders;
- (b) all options granted under the Share Option Scheme and any other share option schemes of the Company (including those outstanding, cancelled, lapsed in accordance with the Share Option Scheme and any other share option schemes of the Company and exercised options) prior to the approval of such refreshed limit shall not be counted for the purpose of calculating whether the refreshed Scheme Mandate Limit has been exceeded; and
- (c) a circular regarding the proposed refreshment of the Scheme Mandate Limit has been dispatched to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 23 of the GEM Listing Rules.

Notwithstanding the above, the maximum number of Shares which may be issued upon exercise of all outstanding options granted under the Share Option Scheme and any other share option schemes of the Company shall not exceed 30% (or such higher percentage as may be allowed under the GEM Listing Rules) of the total number of Shares in issue from time to time.

As at the Latest Practicable Date, options carrying the rights to subscribe for a total of 22,080,000 Shares (representing approximately 4.36% of the issued share capital of the Company as at the Latest Practicable Date) were granted in accordance with the terms of the Share Option Scheme. None of these 22,080,000 options had been exercised as at the Latest Practicable Date. The Directors have no present intention to grant any further options under the existing Scheme Mandate Limit prior to the AGM.

The Directors notice that nearly half of the Scheme Mandate Limit has been utilized and consider that the refreshment of the Scheme Mandate Limit is in the interests of the Company and the Shareholders as a whole as it enables the Company to grant options to the Participants to reward and motivate them to strive for the future developments and expansion of the Group.

LETTER FROM THE BOARD

The Board wishes to take this opportunity to recommend for the Shareholders' approval at the AGM that the existing Scheme Mandate Limit be refreshed so that the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company shall not exceed 10% of the Shares in issue as at the date of passing the relevant resolution at the AGM (but excluding all options previously granted under the Share Option Scheme and any other share option schemes of the Company, including options outstanding, cancelled or lapsed in accordance with the relevant scheme rules or exercised options, for the purpose of calculating the Scheme Mandate Limit as refreshed).

If the Scheme Mandate Limit is refreshed upon Shareholders' approval at the AGM, based on 506,479,876 Shares in issue as at the Latest Practicable Date and assuming that no further Shares are issued prior to the AGM, the Board will be able to grant options for subscription of up to 50,647,987 Shares under the Share Option Scheme, which do not include options that are outstanding, cancelled or lapsed in accordance with the Share Option Scheme and any other share option schemes of the Company and exercised options as at the AGM. The refreshment of the Scheme Mandate Limit is conditional upon the approval by Shareholders at the AGM. The maximum number of Shares that could be issued upon exercise in full of all options granted under the Share Option Scheme after the refreshment of the Scheme Mandate Limit will be approximately 14.36% of the issued share capital as at the date of the AGM.

GENERAL MANDATES AND REPURCHASE MANDATE

At an annual general meeting of the Company held on 26 April 2002, resolutions were passed by the Shareholders giving general unconditional mandates to the Directors to issue and allot Shares and to exercise the powers of the Company to repurchase its own Shares in accordance with the GEM Listing Rules. These general mandates will lapse at the conclusion of the AGM.

It is therefore necessary to renew the General Mandates and the Repurchase Mandate at the AGM and an ordinary resolution will be proposed to seek the Shareholders' approval for granting of the General Mandates and the Repurchase Mandate at such meeting. Details of the aforesaid ordinary resolutions are set out in ordinary resolution numbered 5 in the notice of the AGM.

The General Mandate and Repurchase Mandate, if passed, will continue in force until the conclusion of the next annual general meeting of the Company or the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable laws of the Cayman Islands to be held or until revoked or varied by ordinary resolution by the Shareholders in general meeting, whichever occurs first.

An explanatory statement as required by the GEM Listing Rules to provide Shareholders with all the information reasonably necessary for them to make an informed decision on the proposed resolution for the granting of the Repurchase Mandate is set out in the Appendix to this circular.

LETTER FROM THE BOARD

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the Company's head office and principal place of business in Hong Kong at Unit C, 3rd Floor, Wah Shing Centre, 5 Fung Yip Street, Chai Wan, Hong Kong during normal business hours on any business day up to and including Monday, 28 April 2003 and at the AGM:

- (a) the memorandum and articles of association of the Company; and
- (b) the Share Option Scheme.

ANNUAL GENERAL MEETING

A notice convening the AGM is set out on pages 11 to 14. At the AGM, ordinary resolutions will be proposed to approve the refreshment of the Share Mandate Limit and to grant to the Directors a general mandate to grant options and among other things, allot, issue and deal with the Shares pursuant to the exercise of such options as well as the General Mandates and the Repurchase Mandate.

There is enclosed a proxy form for use at the AGM. Whether or not you intend to attend the AGM, you are requested to complete the proxy form in accordance with the instructions printed thereon and return the same to the Company's Share Registrar, Standard Registrars Limited at G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time fixed for holding the AGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting at the AGM or any adjournment thereof should you so wish. In the event that a Shareholder having lodged a proxy form attends the AGM, his proxy form will be deemed to have been revoked.

RECOMMENDATIONS

The Directors consider that the refreshment of the Share Mandate Limit and the granting of the General Mandates and the Repurchase Mandate are in the best interests of the Company, the Group and the Shareholders as a whole and so recommend Shareholders to vote in favour of the resolutions to be proposed at the AGM. The Directors will vote all their shareholdings in favour of the resolutions.

Yours faithfully,
For and on behalf of the Board
Ng Hung Sang, Robert
Chairman

SPONSOR'S INTERESTS

On 26 November 2002, Deloitte & Touche Corporate Finance Ltd (“Deloitte”) resigned as sponsor of the Company as announced on 27 November 2002 and MasterLink Securities (Hong Kong) Corporation Limited (“MasterLink”) was appointed on 26 November 2002 as the continuing sponsor of the Company as announced on 27 November 2002. Pursuant to the agreement dated 27 November 2002 entered into between the Company and MasterLink, MasterLink has received and will receive fees for acting as the Company’s continuing sponsor for the period from 26 November 2002 to 31 December 2004 or until the termination of the agreement upon the terms and conditions as set out therein.

As at 25 November 2002, Deloitte, its directors, employees or associates (as referred to in Note 3 to Rule 6.35 of the GEM Listing Rules) did not have any interest in the securities of the Company or any member of the Group, or any right to subscribe for or to nominate persons to subscribe for the securities of the Company or any members of the Group.

As updated and notified by MasterLink, MasterLink, its directors, employees or associates (as referred to in Note 3 to Rule 6.35 of the GEM Listing Rules), as at the Latest Practicable Date, did not have any interest in the securities of the Company or any member of the Group, or any right to subscribe for or to nominate persons to subscribe for the securities of the Company or any members of the Group.

This is an explanatory statement given to all Shareholders relating to the resolution to be proposed at the AGM authorising the Repurchase Mandate.

This explanatory statement contains all the information required pursuant to Rule 13.08 of the GEM Listing Rules, which is set out as follows:

1. EXERCISE OF THE REPURCHASE MANDATE

As at the Latest Practicable Date, the issued share capital of the Company comprised of 506,479,876 Shares.

Subject to the passing of the resolution in relation to the Repurchase Mandate and on the basis that no further Shares are issued or repurchased by the Company prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 50,647,987 Shares (representing 10% of the issued share capital of the Company) during the period from the date of the passing of the ordinary resolution numbered 5(B) in the notice of the AGM set out on pages 11 to 14 of this circular up to (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable laws of the Cayman Islands to be held; or (iii) the revocation or variation of the Repurchase Mandate by ordinary resolution of the Shareholders in general meeting, whichever occurs first.

2. REASONS FOR REPURCHASES

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Memorandum and Articles of Association, the GEM Listing Rules and the applicable laws and regulations of the Cayman Islands. The Company is empowered by its Articles of Association to purchase its Shares. The laws of Cayman Islands provide that Shares may only be repurchased out of the profits of the Company, and/or out of the proceeds of a fresh issue of Shares made for this purposes and/or even out of the capital paid up on the repurchased Shares.

4. GENERAL

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the financial year ended 31 December 2002) in the event that the Repurchase Mandate is exercised in full at any time during the proposed purchase period. However,

the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. UNDERTAKING

The Directors have undertaken to the Stock Exchange that they will exercise the power of the Company to make purchases pursuant to the proposed resolution in relation to the Repurchase Mandate in accordance with the GEM Listing Rules, the Memorandum and Articles of Association of the Company and the applicable laws of the Cayman Islands.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates (as defined in the GEM Listing Rules), have any present intention, if the Repurchase Mandate is approved by the Shareholders, to sell any Shares to the Company or its subsidiaries.

No connected person (as defined in the GEM Listing Rules) of the Company has notified the Company that he has a present intention to sell Shares to the Company, nor has undertaken not to do so, in the event that the Company is authorised to make purchases of Shares upon the Repurchase Mandate is approved by the Shareholders.

6. TAKEOVERS CODE

If as a result of a repurchase of Shares, 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 (as interpreted according to the Takeovers Code), depending on the level of the increase of the shareholder's interest, could obtain or consolidate control of the Company and become(s) obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, Eartrade Investments Limited ("Eartrade") held approximately 24%, while Mr. Ng Hung Sang, Robert ("Mr. Ng") personally and through companies wholly-owned and controlled by him, held approximately 42% of the issued share capital of the Company, were the Substantial Shareholders of the Company. In the event that the Directors exercise the proposed Repurchase Mandate in full, then (if the present shareholdings otherwise remained the same) the shareholdings of Eartrade and Mr. Ng in the Company would be increased to approximately 27% and 47% of the issued share capital of the Company respectively and such increases would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

7. SHARE REPURCHASE MADE BY THE COMPANY

No purchase of Shares has been made by the Company since dealings in the Shares on GEM commenced on 8 January 2002, whether on GEM or otherwise.

8. SHARE PRICES

The highest and lowest prices at which Shares have been traded on GEM during each of the previous twelve months preceding the Latest Practicable Date were as follows:

	Shares	
	Highest (HK\$)	Lowest (HK\$)
March 2002	0.830	0.550
April 2002	0.700	0.455
May 2002	0.495	0.430
June 2002	0.430	0.375
July 2002	0.375	0.320
August 2002	0.320	0.300
September 2002	0.300	0.285
October 2002 (Note)	N/A	N/A
November 2002	0.234	0.180
December 2002	0.350	0.240
January 2003	0.305	0.260
February 2003 (Note)	N/A	N/A

Note: There was no transaction on the Shares recorded for the month.

JESSICA PUBLICATIONS LIMITED
(Incorporated in the Cayman Islands with limited liability)

NOTICE IS HEREBY GIVEN that the annual general meeting of Jessica Publications Limited (the “Company”) will be held at 28/F., Bank of China Tower, 1 Garden Road, Central, Hong Kong on Tuesday, 29 April 2003, at 10:00 a.m. for the following purposes:

1. To receive and consider the audited Financial Statements together with the Reports of the Directors and Auditors for the year ended 31 December 2002.
2. To re-elect Directors and to authorise the Board of Directors to fix the Directors’ fees.
3. To re-appoint Auditors and to authorise the Board of Directors to fix their remuneration.

ORDINARY RESOLUTIONS

4. As special business, to consider and, if thought fit, pass the following resolution (with or without amendments) as Ordinary Resolution:

“**THAT** pursuant to Clause 8.01 of the share option scheme (the “Share Option Scheme”) adopted by the Company on 20 December 2001, the existing scheme mandate limit under the Share Option Scheme be refreshed so that the aggregate nominal amount of share capital to be allotted and issued pursuant to the grant or exercise of any options under the Share Option Scheme and any other share option schemes of the Company (excluding options previously granted, outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme and any other share option schemes of the Company) shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this Resolution (the “Refreshed Scheme Mandate Limit”) and that the Directors of the Company be and are hereby unconditionally authorised to grant options up to the Refreshed Scheme Mandate Limit and to exercise all the powers of the Company to allot, issue and deal with the shares pursuant to the exercise of such options.”

5. As special business, to consider and, if thought fit, pass the following resolutions (with or without amendments) as Ordinary Resolutions:

(A) “**THAT:**

- (a) subject to sub-paragraph (c) of this Resolution, and pursuant to The Rules Governing the Listing of Securities on the Growth Enterprise Market (“GEM Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), 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

NOTICE OF ANNUAL GENERAL MEETING

and deal with additional shares or securities convertible into shares, or options, warrants or similar rights to subscribe for any 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;

- (b) the approval in sub-paragraph (a) of this Resolution 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;
- (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 sub-paragraph (a) of this Resolution, otherwise than pursuant to (i) a Rights Issue as hereinafter defined, or (ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company, or (iii) 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 of its subsidiaries of shares or rights to acquire shares of the Company, or (iv) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Articles of Association of the Company, shall not exceed 20% of the share capital of the Company in issue as at the date 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 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 is required by the Articles of Association of the Company or any applicable laws of the Cayman Islands to be held; and
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.

“Rights Issue” means an offer of shares in the share capital of the Company or an offer or issue of warrants or options or similar instruments to subscribe for shares in the share capital of the Company open for a period fixed by the Directors of the Company to holders of shares of the Company or any class

NOTICE OF ANNUAL GENERAL MEETING

thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (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, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, or any recognised regulatory body or any stock exchange applicable to the Company).”

(B) **“THAT:**

- (a) subject to sub-paragraph (b) of this Resolution, the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to repurchase shares in the capital of the Company on the Growth Enterprise Market of the Stock Exchange or on any other exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission of Hong Kong, the Stock Exchange or of any other stock exchange as amended from time to time and all applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the shares which may be purchased pursuant to the approval in sub-paragraph (a) of this Resolution, shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of passing this Resolution and the said approval shall be limited accordingly; and
- (c) for the purposes of this Resolution, “Relevant Period” shall have the same meanings as ascribed to it under sub-paragraph (d) of the Resolution No. 5(A) of the notice convening this annual general meeting.”

(C) **“THAT:**

conditional upon the Resolutions Nos. 5(A) and 5(B) set out in the notice convening this Meeting being passed, the aggregate nominal amount of the number of shares which are repurchased by the Company after the date of the passing of this Resolution (up to a maximum of 10% of the aggregate nominal amount of the share capital of the

NOTICE OF ANNUAL GENERAL MEETING

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 by the Directors of the Company pursuant to Resolution No. 5(A) set out in the notice convening this Meeting.”

By Order of the Board
Chan Kam Yin
Company Secretary

Hong Kong Special Administrative Region
of the People's Republic of China
26 March 2003

Notes:

1. A member entitled to attend and vote at the above Meeting is entitled to appoint one or more proxies to attend and on a poll vote instead of him. A proxy needs not be a member of the Company.
2. In order to be valid, a proxy form and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of authority, must be deposited at the Company's Share Registrar, Standard Registrars Limited at G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, not less than 48 hours before the time fixed for holding the Meeting or any adjournment thereof. Completion and return of the proxy form will not preclude any member from attending and voting in person at the Meeting should he so wishes.
3. The Register of Members of the Company will be closed from 28 April 2003 to 29 April 2003, both days inclusive, during which period no share transfers will be registered. To qualify for attendance of the annual general meeting, all transfers accompanied by the relevant share certificates of the Company must be lodged with the Company's Share Registrar, Standard Registrars Limited at G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, no later than 4:00 p.m. on 25 April 2003, for registration.
4. With regard to the resolution set out in item 5 of this notice, the Directors wish to state that they have no immediate proposals either to issue or repurchase any securities of the Company. Approval is being sought from members as general mandates pursuant to the GEM Listing Rules of the Stock Exchange.