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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 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 Panorama International Holdings Limited (the “Company”), 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 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, 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.

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## PANORAMA INTERNATIONAL HOLDINGS LIMITED

鐳射國際控股有限公司 \*

*(Incorporated in the Cayman Islands with limited liability)*

### GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

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This circular, for which the directors of the Company (the “Directors”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (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 with the domain name of [www.hkgem.com](http://www.hkgem.com) on the “Latest Company Announcements” page for at least 7 days from the date of its posting.*

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## CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET OF THE STOCK EXCHANGE OF HONG KONG LIMITED

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The Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (“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 of Hong Kong Limited 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 of Hong Kong Limited. 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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## LETTER FROM THE BOARD OF DIRECTORS

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### PANORAMA INTERNATIONAL HOLDINGS LIMITED

### 鐳射國際控股有限公司\*

*(Incorporated in the Cayman Islands with limited liability)*

*Executive Directors:*

Mr. Fung Yu Hing, Allan

*(Chairman and chief executive officer)*

Ms. Leung Siu Kuen, Janet

Mr. Fung Yee Sang

Mr. Au Lik Man, Simon

*Non-executive Directors:*

Dr. Lo Wing Yan, William, JP

Ms. Fung Suen Lai, Jacqueline

*Independent non-executive Directors:*

Mr. Chan Koon Chung, Johnny

Mr. Chau, Stephen

*Registered office:*

P.O. Box 309

Ugland House

South Church Street

George Town

Grand Cayman

Cayman Islands

British West Indies

*Head office and principal*

*place of business in Hong Kong:*

7th Floor, Union Building

112 How Ming Street

Kwun Tong

Kowloon

Hong Kong

26 June, 2002

*To the shareholders of*

*Panorama International Holdings Limited*

Dear Sir or Madam,

### GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

#### INTRODUCTION

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the forthcoming annual general meeting (the “Annual General Meeting”) of the shareholders of Panorama International Holdings Limited (the “Company”) to be held at 7th Floor, Union Building, 112 How Ming Street, Kwun Tong, Kowloon, Hong Kong on 26 July, 2002 at 4:00 p.m., granting the Directors general mandates to issue and repurchase shares of the Company.

\* For identification purpose only

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## LETTER FROM THE BOARD OF DIRECTORS

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### GENERAL MANDATES

On 25 April, 2002, resolutions of the then shareholders of the Company were passed to grant general unconditional mandates to the Directors to:—

- (1) allot, issue and deal with (otherwise than by way of rights issues, by virtue of scrip dividend schemes or other similar arrangements in accordance with the articles of association of the Company or pursuant to the exercise of any option which may be granted under the Pre-IPO Share Option Scheme (as defined in the prospectus of the Company dated 30 April, 2002 (the “Prospectus”)), the Share Option Scheme (as defined in the Prospectus)) or any other share 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 (as defined hereafter) or rights to acquire Shares or any scrip dividend schemes or similar arrangement providing for the allotment and issue of shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company or a specific authority granted by the shareholders in general meeting, on behalf of the Company, shares of HK\$0.01 each in the capital of the Company (“Shares”) with an aggregate nominal value not exceeding the sum of (i) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue immediately after completion of the Placing (as defined in the Prospectus); and (ii) the aggregate nominal amount of the share capital of the Company that may have been purchased under the authority referred to in paragraph (2) below; and
- (2) exercise all the powers of and on behalf of the Company to purchase, on GEM or on any other stock exchange on which the securities of the Company may be listed and which is recognised by the Securities and Futures Commission and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) for this purpose in accordance with all applicable laws and requirements of the GEM Listing Rules (or of such other stock exchange), Shares with an aggregate nominal value not exceeding 10 per cent of the aggregate nominal amount of the share capital of the Company in issue immediately after completion of the Placing.

Each of the general mandates referred to above remains in effect until the conclusion of the next annual general meeting of the Company, the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the articles of association of the Company to be held or when it is revoked, varied or renewed by an ordinary resolution by the shareholders of the Company in general meeting, whichever is the earliest.

The above general mandates will lapse at the conclusion of the Annual General Meeting, unless renewed at the Annual General Meeting. It is therefore proposed to seek your approval of the ordinary resolutions to be proposed at the Annual General Meeting to renew these general mandates to the Directors.

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## LETTER FROM THE BOARD OF DIRECTORS

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At the Annual General Meeting, separate ordinary resolutions will be proposed to grant to the Directors fresh general mandates (i) to allot, issue and otherwise deal with Shares not exceeding 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing the ordinary resolution no. 4A (“Resolution No. 4A”) in the notice of the Annual General Meeting (“Notice”); (ii) to repurchase Shares up to a maximum of 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing the ordinary resolution no. 4B (“Resolution No. 4B”) in the Notice (“Repurchase Mandate”); and (iii) by extending the general mandate granted pursuant to Resolution No. 4A, to allot, issue and otherwise deal with Shares with an aggregate nominal amount not exceeding the aggregate nominal amount of the share capital of the Company purchased pursuant to the Repurchase Mandate (as more particularly described in the ordinary resolution no. 4C (“Resolution No. 4C”) in the Notice) ((i), (ii) and (iii) collectively the “Mandates”) during the period from the date of the passing of the Resolutions No. 4A to 4C up to: (a) the conclusion of the next annual general meeting of the Company; (b) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the articles of association of the Company to be held; or (c) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking, varying or renewing the Mandates, whichever occurs first.

### EXPLANATORY STATEMENT

An explanatory statement containing all relevant information relating to the Repurchase Mandate is set out in the appendix to this circular. The information in the explanatory statement is to provide you with the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolution to grant to the Directors the Repurchase Mandate.

### GENERAL INFORMATION

The Notice is set out in the annual report for the financial year ended 31 March, 2002 (“Annual Report”) of the Company which is despatched to shareholders of the Company with this circular.

A form of proxy for the Annual General Meeting is enclosed with the Annual Report. Whether or not you intend to be present at the Annual General Meeting, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon to the Hong Kong share registrar of the Company, Tengis Limited at 4th Floor, Hutchison House, 10 Harcourt Road, Central, 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 adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting at the Annual General Meeting or any adjourned meeting (as the case may be) should you so wish.

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## LETTER FROM THE BOARD OF DIRECTORS

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### RECOMMENDATION

The Directors are of the opinion that the proposals referred to in this circular are in the best interests of the Company and its shareholders and therefore recommend you to vote in favour of the Resolutions Nos. 4A to 4C to be proposed at the Annual General Meeting.

Yours faithfully,

By order of the Board

**Panorama International Holdings Limited**

**Fung Yu Hing, Allan**

*Chairman*

This is an explanatory statement given to all shareholders of the Company relating to the Resolution No. 4B to be proposed at the Annual General Meeting granting the Repurchase Mandate.

## **1. EXERCISE OF THE REPURCHASE MANDATE**

As at 26 June, 2002, being the latest practicable date (“Latest Practicable Date”) prior to the printing of this circular, the issued share capital of the Company comprised 400,000,000 Shares.

Subject to the passing of the Resolution No. 4B and on the basis that no further Shares are issued or repurchased by the Company prior to the Annual General Meeting, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 40,000,000 Shares during the period from the date of the passing of the Resolution No. 4B as set out in the Notice 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 any applicable law or the articles of association of the Company to be held; or (iii) the revocation, variation or renewal of the Repurchase Mandate by ordinary resolution of the shareholders of the Company 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 its shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value and/or earnings per Share of the Company and will only be made when the Directors believe that such a repurchase will benefit the Company and its shareholders.

## **3. FUNDING OF REPURCHASES**

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum and articles of association, the GEM Listing Rules and the applicable laws of the Cayman Islands. The Company may not purchase its own securities on the GEM for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

## **4. IMPACT ON WORKING CAPITAL OR GEARING POSITION**

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 financial statements contained in the Annual Report) in the event that the Repurchase Mandate is exercised



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

5. SHARE PRICES

The highest and lowest prices at which the Shares were traded on GEM since the listing of the Shares on the GEM on 9 May, 2002 were as follows:—

|                               | Shares          |                |
|-------------------------------|-----------------|----------------|
|                               | Highest<br>HK\$ | Lowest<br>HK\$ |
| 9 May, 2002 to 31 May, 2002   | 0.38            | 0.03           |
| 1 June, 2002 to 26 June, 2002 | 0.23            | 0.18           |

6. UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the GEM Listing Rules, the memorandum and articles of association of the Company and the applicable laws and regulations of the Cayman Islands.

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

As at the Latest Practicable Date, no connected person (as defined in the GEM Listing Rules) has notified the Company that it has a present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by the shareholders of the Company.

7. THE HONG KONG CODE ON TAKEOVERS AND MERGERS

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 Hong Kong Code on Takeovers and Mergers (“Code”). As a result, a shareholder, or a group of shareholders acting in concert (within the meaning under the Code), depending on the level of increase in the shareholder’s interests, could obtain or consolidate control of the Company and become(s) obliged to make a mandatory offer in accordance with Rule 26 of the Code.

As at the Latest Practicable Date, Mr. Fung Yu Hing, Allan and parties acting in concert with him are interested or deemed to be interested in an aggregate of 251,671,500 Shares, representing approximately 62.92% of the existing issued share capital of the Company. In the event that the Directors should exercise in full the power to repurchase Shares under the proposed Repurchase Mandate, the shareholding of Mr. Fung Yu Hing, Allan and parties acting in concert with him in the Company will be increased to approximately 69.91% of the issued share capital of the Company.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their associates (as defined in the GEM Listing Rules), have any present intention to exercise the Repurchase Mandate if such is approved by the shareholders of the Company, to such an extent as would give rise to an obligation to make a mandatory general offer under Rule 26 or Rule 32 of the Code.

#### **8. SHARE PURCHASE MADE BY THE COMPANY**

No purchases of Shares have been made by the Company since dealings in Shares on GEM commenced on 9 May, 2002, whether on the Stock Exchange or otherwise.