



# **KARCE INTERNATIONAL HOLDINGS COMPANY LIMITED**

(泰 威 實 業 集 團 有 限 公 司\*)

(Incorporated in Bermuda with limited liability)

(Stock Code: 1159)

## **AMENDMENT TO NOTICE OF ANNUAL GENERAL MEETING**

The directors of Karce International Holdings Company Limited (“Company”) would like to include the particulars of the three directors, namely Mr. Lee Kwok Leung, Mr. Yang Yiu Chong, Ronald Jeffrey and Mr Tsao Kwang Yung, Peter, who are proposed to be re-elected in the annual general meeting of the Company to be held on 31 May, 2005 under Resolution 3 of the notice of annual general meeting issued on 29 April, 2005 (“Original Notice of AGM”). Except for the above, there are no other changes to the Original Notice of AGM.

**NOTICE IS HEREBY GIVEN** that the annual general meeting (“AGM”) of Karce International Holdings Company Limited (“Company”) and together with its subsidiaries, the “Group”) for the financial year ended 31 December 2004 will be held at Shatin and Yuen Long Rooms, 30th Floor, Panda Hotel, 3 Tsuen Wah Street, Tsuen Wan, New Territories, Hong Kong on Tuesday, 31 May 2005 at 11:00 a.m. to transact the following businesses:

1. to receive and consider the audited consolidated financial statements and the reports of the directors and auditors for the year ended 31 December 2004;
2. to declare a final dividend for the year ended 31 December 2004;
3. to re-elect the directors and authorise the board of directors to fix the remuneration of the directors and the particulars of the three directors proposed to be re-elected in the AGM are as follows:

**Mr. Lee Kwok Leung**, aged 51, has been a director of the Company (“Director”) since 2000. As a non-executive Director, Mr. Lee is appointed for a specific term of one year from 1 January 2005 to 31 December 2005 but is subject to retirement by rotation and re-election at the Company’s annual general meetings in accordance with the bye-laws. Mr Lee has over 35 years of direct investment, fund management and banking experience and holds an investment advisor status from the Securities and Futures Commission from 2000.

As at 29 April, 2005, Mr. Lee holds or had held directorships in three Hong Kong listed companies during the last three years, namely Ernest Investments Holdings Limited (being an executive director), Ruili Holdings Limited (being an executive director) and the Company (being a non-executive Director). As at 29 April, 2005, he had resigned from the directorships of Ernest Investments Holdings Limited and Ruili Holdings Limited. He is also the managing director of Derico Financial Services Limited and Success Talent Investments Limited. Save as being a non-executive Director, he does not hold any position with other members of the Group.

As at 29 April 2005, Mr. Lee is not interested in and does not hold any short positions in any shares or underlying shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong) (“SFO”).

Mr. Lee is entitled to an annual emolument of HK\$120,000 which is determined with reference to his duty and responsibility with the Company. In addition, Mr. Lee is not entitled to receive any discretionary bonus which is to be determined by reference to the Group’s performance and profitability.

As at 29 April 2005, Mr. Lee is not connected with any Directors, senior management or substantial or controlling shareholder of the Company.

Save as disclosed above, Mr. Lee confirmed that he was not aware of any matters that need to be brought to the attention to shareholders.

**Mr. Yang Yiu Chong, Ronald Jeffrey**, aged 38, has been a Director since 2000. As a non-executive Director, Mr. Yang is appointed for a specific term of one year from 1 January 2005 to 31 December 2005 but is subject to retirement by rotation and re-election at the Company’s annual general meetings in accordance with the bye-laws. He had worked in the corporate finance field with an international bank for four years and held a senior position with a publicly listed printing company. Mr. Yang holds a double bachelors’ degree in accounting and finance from Boston University, the United States of America.

As at 29 April 2005, Mr. Yang holds directorships in two Hong Kong listed companies during the last three years, namely Sing Tao News Corporation Limited (being an executive director) and the Company (being a non-executive Director). Save as being a non-executive Director, he does not hold any position with other members of the Group.

As at 29 April 2005, Mr. Yang is not interested in and does not hold any short positions in any shares or underlying shares of the Company within the meaning of Part XV of the SFO.

Mr. Yang is entitled to an annual emolument of HK\$120,000 which is determined with reference to his duty and responsibility with the Company. In addition, Mr. Yang is not entitled to receive any discretionary bonus which is to be determined by reference to the Group's performance and profitability.

As at 29 April, 2005, Mr. Yang is not connected with any Directors, senior management or substantial or controlling shareholder of the Company.

Save as disclosed above, Mr. Yang confirmed that he was not aware of any matters that needed to be bought to the attention to shareholders.

**Mr. Tsao Kwang Yung, Peter**, CBE, CPM, aged 72, has been a Director since 1998. As an independent non-executive Director, Mr. Tsao is appointed for a specific term of one year from 1 January 2005 to 31 December 2005 but is subject to retirement by rotation and re-election at the Company's annual general meetings in accordance with the bye-laws. He was the former secretary for Home Affairs of the Hong Kong Government. He was appointed as Hong Kong's special envoy to Geneva in 1977. Mr. Tsao was also the head of the Trade Department and Industry Department in 1979 and 1981 respectively. In 1983, Mr. Tsao was appointed as the head of the Government Information Services and in 1988, he was appointed as the Secretary for Home Affairs. Mr. Tsao retired from the post of Secretary for Home Affairs in 1992.

As at 29 April 2005, Mr. Tsao is or was an independent non-executive director of nine Hong Kong listed companies during the last three years, namely Herald Holdings Limited, Kingboard Chemical Holdings Limited, K&P International Holdings Limited, Takson Holdings Limited, ITE (Holdings) Limited, Chitaly Holdings Limited, Hopefluent Group Holdings Limited, Suncorp Technologies Limited and the Company. He resigned from the directorship of Suncorp Technologies Limited in September 2002. He is also the chairman of Prima Consultants Limited and a director of a number of other companies in Hong Kong and the United Kingdom. Save as being an independent non-executive Director, he does not hold any position with other members of the Group.

As at 29 April 2005, Mr. Tsao is not interested in and does not hold any short positions in any shares or underlying shares of the Company within the meaning of Part XV of the SFO.

Mr. Tsao is entitled to an annual emolument of HK\$120,000 which is determined with reference to his duty and responsibility with the Company. In addition, Mr. Tsao is not entitled to receive any discretionary bonus which is to be determined by reference to the Group's performance and profitability.

As at 29 April, 2005, Mr. Tsao is not connected with any Directors, senior management or substantial or controlling shareholder of the Company.

Save as disclosed above, Mr. Tsao confirmed that he was not aware of any matters that needed to be bought to the attention to shareholders;

4. to re-appoint the auditors and authorise the board of directors to fix their remuneration;
5. to consider as special businesses and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

#### **ORDINARY RESOLUTIONS**

**A. "THAT:**

- (a) subject to paragraph (c) of this Resolution, the exercise by the directors of the Company ("**Directors**") during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company 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 paragraph (a) of this Resolution shall authorise the Directors 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 pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to (i) a Rights Issue (as defined below); (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; (iii) the exercise of any option under any share option scheme or

similar arrangement for the time being adopted for the grant or issue to offices, employees of the Company and/or any of its subsidiaries or other eligible participants of shares or rights to acquire shares in the Company or (iv) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of the cash payment for a dividend on shares of the Company in accordance with the bye-laws of the Company, shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue 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 is required by the bye-laws of the Company or any applicable law to be held; and
- (iii) the date of which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

“**Rights Issue**” means an offer of shares or other securities of the Company open for a period fixed by the Directors to holders of shares of the Company or any class 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 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 the Hong Kong Special Administrative Region of the People’s Republic of China.)”

B. “**THAT**:

- (a) subject to paragraph (b) of this Resolution, the exercise by the Directors during the Relevant Period (as defined below) of all powers of shares of the Company to repurchase shares of the Company, subject to and in accordance with all applicable laws and requirements, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the shares of the Company which may be purchased pursuant to the approval in paragraph (a) of this Resolution shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company as at the date of passing of this Resolution and the said approval shall be limited accordingly; and
- (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 is required by the bye-laws of the Company or any applicable law to be held; and
- (iii) the date which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

C. “**THAT** conditional upon Resolutions A and B set out above being passed, the aggregate nominal amount of the shares of the Company which are repurchased by the Company under the authority granted to the Directors as mentioned in Resolution B above shall be added to the aggregate nominal amount of the share capital of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the Resolution A above.”; and

6. to consider as special businesses and, if thought fit, pass with or without amendments, the following resolutions as special resolutions:

### **SPECIAL RESOLUTIONS**

**THAT** the bye-laws of the Company be amended in the following aspects:

A. by deleting the existing definition of “clearing house” in Bye-law 1 in its entirety and substituting therefor the following new definition:

“clearing house” shall mean a “recognised clearing house” within the meaning of Part 1 of Schedule 1 to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and any amendments thereto or re-enactments thereof for the time being in force;

- B. by adding the following words immediately after the words “on a show of hands unless” in the 9th line of Bye-law 66:  
“voting by a poll is required by the rules of the Designated Stock Exchange or”;
- C. by deleting the existing Bye-law 68 in its entirety and substituting therefor the following new Bye-law 68:  
“68. If a poll is duly demanded the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the rules of the Designated Stock Exchange.”;
- D. by deleting the existing Bye-law 87(1) in its entirety and substituting therefor the following new Bye-law 87(1):  
“87(1) Notwithstanding any other provisions in the Bye-laws, at each annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not a multiple of three(3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years.” ; and
- E. by adding the following words immediately after the words “A retiring Director shall be eligible for re-election “ in the 1st line of Bye-law 87(2):  
“and shall continue to act as a Director throughout the meeting at which he retires.”

As at the date of this notice, the board of Directors consists of four executive Directors, Mr. Tong Shek Lun, Mr. Li Ka Fai, Fred, Ms. Ko Lai King, Kinny and Ms. Chung Wai Yu, Regina, two non-executive Directors, Mr. Lee Kwok Leung and Mr. Yang Yiu Chong, Ronald Jeffrey and three independent non-executive Directors, Mr. Sun Yaoquan, Mr. Tsao Kwang Yung, Peter and Mr. Goh Gen Cheung.

*Notes:*

1. Any member entitled to attend and vote at the meeting shall be entitled to appoint another person as his proxy to attend and, in the event of a poll, vote instead of him. A proxy need not be a member of the Company.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney or other person duly authorised.
3. In order to be valid, a form of proxy and the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power of attorney or authority, must be deposited at the head office of the Company, Units 1 and 2, 29th Floor, Cable TV Tower, 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong not less than 48 hours before the time for holding the meeting or any adjourned meeting.
4. Delivery of the form of proxy will not preclude a member from attending and voting in person at the meeting convened and in such event, the form of proxy shall be deemed to be revoked.

By order of the Board  
**Karce International Holdings Company Limited**  
**Wong Hei Chiu**  
*Company Secretary*

Hong Kong, 30 May, 2005

\* *For identification purpose only*

Please also refer to the published version of this announcement in The Standard.