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

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This circular is for information purposes only and does not constitute an invitation or offer to acquire or subscribe for securities.

**If you are in any doubt** as to any aspect about this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Value Convergence Holdings Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or the transferee or to the bank, the licensed securities dealer or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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**VALUE CONVERGENCE HOLDINGS LIMITED**  
**滙 盈 控 股 有 限 公 司**

*(incorporated in Hong Kong with limited liability under the Companies Ordinance)*

Website: <http://www.valueconvergence.com>

(Stock Code: 8101)

**GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES,  
RE-ELECTION OF DIRECTORS,  
APPOINTMENT OF NEW AUDITORS  
AND  
AMENDMENT TO ARTICLES OF ASSOCIATION OF THE COMPANY**

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A notice convening the annual general meeting (“Annual General Meeting”) of Value Convergence Holdings Limited (the “Company”) to be held at 38th Floor, The Centrium, 60 Wyndham Street, Central, Hong Kong at 3:00 p.m. on Wednesday, 13th April, 2005 is contained in the annual report of the Company for the year ended 31st December, 2004 (the “Annual Report”). Whether or not you are able to attend such meeting, please complete and return the form of proxy enclosed with the Annual Report in accordance with the instructions printed thereon to the registered office of the Company at 28th Floor, The Centrium, 60 Wyndham Street, Central, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the Annual General Meeting or any adjournment thereof (as the case may be) should you so wish.

This circular will remain on the “Latest Company Announcement” page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least 7 days of the date of its publication and on the website of the Company at [www.valueconvergence.com](http://www.valueconvergence.com).

16th March, 2005

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## CHARACTERISTICS OF GEM

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**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. GEM-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

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*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 held on Wednesday, 13th April, 2005 at 38th Floor, The Centrium, 60 Wyndham Street, Central, Hong Kong;
“Amendment to Articles of Association”	the proposed amendment to the articles of association of the Company regarding the retirement of Directors for the purpose of complying with the revised GEM Listing Rules relating to corporate governance practices with effect from 1st January, 2005;
“Annual Report”	the annual report of the Company for the year ended 31st December, 2004;
“Appointment of New Auditors”	the proposed appointment of Messrs. Deloitte Touche Tohmatsu as new auditors of the Company following the retirement of Messrs. PricewaterhouseCoopers at the AGM;
“Board”	the board of Directors;
“Companies Ordinance”	the Companies Ordinance (Chapter 32) of the Laws of Hong Kong;
“Company”	Value Convergence Holdings Limited, a company incorporated in Hong Kong with limited liability under the Companies Ordinance whose shares are listed on GEM;
“Directors”	the directors 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;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China;
“Latest Practicable Date”	means 11th March, 2005, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;

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## DEFINITIONS

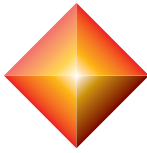
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“Re-election of Directors”	the re-election of Dr. Lee Jun Sing (as Executive Director), Attorney Patajo-Kapunan, Lorna, Mr. Sham Sui Leung, Daniel and Dr. Tyen Kanhee, Anthony (all of them as Independent Non-executive Directors) immediately following their respective retirements at the AGM;
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“SFC”	the Securities and Futures Commission;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

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## LETTER FROM THE BOARD

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VALUE CONVERGENCE HOLDINGS LIMITED  
滙盈控股有限公司

*(incorporated in Hong Kong with limited liability under the Companies Ordinance)*

Website: <http://www.valueconvergence.com>

(Stock Code: 8101)

*Executive Directors:*

Dr. Ho Hung Sun, Stanley (*Chairman*)  
Mr. Ho, Lawrence Yau Lung (*President & Vice Chairman*)  
Dr. Lee Jun Sing

*Independent Non-executive Directors:*

Attorney Patajo – Kapunan, Lorna  
Mr. Sham Sui Leung, Daniel  
Dr. Tyen Kanhee, Anthony

*Registered office, head office and  
principal place of business:*

28th Floor, The Centrium  
60 Wyndham Street  
Central  
Hong Kong

16th March, 2005

*To the shareholders of the Company*

Dear Sir or Madam,

**GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES,  
RE-ELECTION OF DIRECTORS,  
APPOINTMENT OF NEW AUDITORS  
AND  
AMENDMENT TO ARTICLES OF ASSOCIATION OF THE COMPANY**

**1. INTRODUCTION**

As released by the Company pursuant to an announcement dated 8th March, 2005, the audit of the accounts of the Group for the year ended 31st December, 2004 was completed. Also, by an announcement of the Company dated 10th March, 2005, it is proposed that Messrs. Deloitte Touche Tohmatsu will be appointed as new auditors of the Company following the retirement of Messrs. PricewaterhouseCoopers at the AGM and the articles of association of the Company regarding the retirement of Directors be amended for the purpose of complying with the revised GEM Listing Rules relating to corporate governance practices that took effect from 1st January, 2005. The Company proposes to hold the AGM in which the shareholders of the Company will be asked to consider, and if thought fit, to pass resolutions to adopt the audited consolidated accounts of the Group for the year ended 31st December, 2004 and the reports of the Directors and auditors, to give a general mandate to the Directors to exercise the powers of the Company to repurchase and to issue securities, and to deal with other business of the Company namely, the Re-election of Directors, the Appointment of New Auditors and the Amendment to Articles of Association. Details of these resolutions are set out in the notice of the AGM which is contained in pages 86 to 91 of the Annual Report. The purpose of this circular is to provide you with information regarding

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## LETTER FROM THE BOARD

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the proposed general mandates to repurchase Shares and to issue securities, the Re-election of Directors, the Appointment of New Auditors and the Amendment to Articles of Association in order to enable you to make an informed decision on whether to vote for or against the relevant ordinary or special resolution(s) (as the case may be) to be proposed at the AGM.

### **2. GENERAL MANDATE TO REPURCHASE SHARES**

At the previous annual general meeting of the Company held on 19th April, 2004, a general mandate was given to the Directors to exercise the powers of the Company to repurchase up to 23,815,499 Shares. Such mandate will lapse at the conclusion of the AGM. An ordinary resolution will therefore be proposed at the AGM to give a general mandate to the Directors to exercise the powers of the Company to repurchase on the Stock Exchange the Shares up to a maximum of 10% of the Company's issued share capital outstanding as at the date of passing of the resolution (the "Repurchase Mandate"). In addition, if the resolutions to authorise the Repurchase Mandate and the Issue Mandate (as defined below) are passed, a resolution will be proposed to extend the authority of the Directors under the Issue Mandate by an amount equal to the aggregate nominal amount of any Shares repurchased by the Company under the authority so granted.

As at the Latest Practicable Date, the issued share capital of the Company comprised 238,154,999 Shares.

Subject to the passing of the ordinary resolution relating to the Repurchase Mandate at the AGM and on the basis that no further Shares or other securities are issued or repurchased prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 23,815,499 Shares representing 10% of the issued share capital of the Company at the date of passing of the said resolution.

An explanatory statement as required under the GEM Listing Rules to provide the requisite information regarding the Repurchase Mandate is set out in Appendix I to this circular.

During each of the six months preceding the date of this circular, the Company has not repurchased any Shares on the Stock Exchange.

### **3. GENERAL MANDATE TO ISSUE SECURITIES**

At the AGM, a resolution will also be proposed that the Directors be given a general mandate to issue securities up to 20% of the aggregate nominal amount of the share capital of the Company in issue on the date the resolution is passed (the "Issue Mandate") in order to ensure flexibility and discretion to the Directors to issue securities. In addition, a resolution will be proposed to extend the Issue Mandate by adding to it the nominal amount of the share capital of the Company repurchased by the Company subsequent to the passing of such resolution.

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## LETTER FROM THE BOARD

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### 4. RE-ELECTION OF DIRECTORS

The Board currently consists of six Directors including three Executive Directors, namely, Dr. Ho Hung Sun, Stanley (*Chairman*), Mr. Ho, Lawrence Yau Lung (*President & Vice Chairman*), Dr. Lee Jun Sing and three Independent Non-executive Directors, namely, Attorney Patajo-Kapunan, Lorna, Mr. Sham Sui Leung, Daniel and Dr. Tyen Kanhee, Anthony.

Pursuant to the existing articles of association of the Company, the term of offices of all Directors other than the Chairman and the Vice Chairman will expire at the AGM. As such, Dr. Lee Jun Sing (as Executive Director), Attorney Patajo-Kapunan, Lorna, Mr. Sham Sui Leung, Daniel and Dr. Tyen Kanhee, Anthony (all of them as Independent Non-executive Directors) shall retire at the AGM. All of the aforementioned retiring Directors are eligible for re-election at the AGM.

Brief biographical details of the said retiring Directors proposed to be re-elected at the AGM are set out in Appendix II of the Circular.

### 5. APPOINTMENT OF NEW AUDITORS

The ordinary resolution set out in item 3 of the notice of the AGM, if passed, will appoint Messrs. Deloitte Touche Tohmatsu as the auditors of the Company, in place of the retiring auditors, Messrs. PricewaterhouseCoopers, who will hold office until the next annual general meeting is held. The retirement of Messrs. PricewaterhouseCoopers is due to the Company's policy in respect of cost control. An ordinary resolution will be proposed at the AGM to appoint Messrs. Deloitte Touche Tohmatsu as the Company's auditors in place of the retiring auditors. In connection with its retirement, Messrs. PricewaterhouseCoopers has advised that there is no representation regarding its retirement that needs to be brought to the attention of the Company.

### 6. AMENDMENT TO ARTICLES OF ASSOCIATION OF THE COMPANY

The Stock Exchange has announced certain amendments to the Listing Rules relating to corporate governance practices which have become effective on 1st January, 2005. According to the proposed principles of good governance, all directors of listed companies should be subject to retirement by rotation at regular intervals. As under the existing articles of association of the Company, only those Directors other than the Chairman and Vice Chairman are required to retire at the annual general meeting of the Company and to implement the aforementioned principles, the Directors propose to seek the approval of the shareholders of the Company for the special resolution at the AGM to amend the articles of association of the Company by altering an article relating to retirement of all Directors by rotation on a periodical basis.

### 7. ANNUAL GENERAL MEETING

The notice of the AGM, which contains, inter alia, the relevant ordinary resolutions to approve the Repurchase Mandate and the Issue Mandate, the Re-election of Directors and the Appointment of New Auditors as well as the special resolution to approve the Amendment to Articles of Association, is set out in the Annual Report accompanying this circular.

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## LETTER FROM THE BOARD

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There is enclosed in the Annual Report a form of proxy for use at the AGM. Whether or not you are able to attend the AGM in person, you are requested to complete the form of proxy and return it in accordance with the instructions printed thereon to the registered office of the Company at 28th Floor, The Centrium, 60 Wyndham Street, Central, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM should you so wish.

### **8. PROCEDURES FOR DEMANDING A POLL BY SHAREHOLDERS**

Article 73 of the Company's articles of association sets out the procedures by which shareholders of the Company may demand a poll:

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) demanded:

- (a) by the Chairman; or
- (b) by at least three members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
- (c) by any member or members present in person or in the case of a member 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 the members having the right to vote at the meeting; or
- (d) by any member or members present in person or in the case of a member 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 the shares conferring that right.

### **9. RECOMMENDATION**

The Directors believe that the adoption of the audited consolidated accounts of the Group and the reports of the Directors and auditors for the year ended 31st December, 2004, granting of the general mandates to the Directors to repurchase and to issue securities, and the approval of the other business namely, the Re-election of Directors, the Appointment of New Auditors and the Amendment to Articles of Association, are in the best interests of the Company as well as the shareholders as a whole and accordingly, the Directors recommend the shareholders to vote in favour of all the relevant resolutions to be proposed at the AGM.

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## LETTER FROM THE BOARD

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### 10. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, 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 facts the omission of which would make any statement herein 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.

By order of the board of  
**Value Convergence Holdings Limited**  
**Ho, Lawrence Yau Lung**  
*President & Vice Chairman*

This explanatory statement, as required by the GEM Listing Rules, provides you with requisite information for your consideration of the Repurchase Mandate.

### **1. SHARE CAPITAL AND EXERCISE OF THE REPURCHASE MANDATE**

As at the Latest Practicable Date, the issued share capital of the Company comprised 238,154,999 Shares.

Subject to the passing of the ordinary resolution relating to the Repurchase Mandate at the AGM and on the basis that no further Shares or other securities are issued or repurchased prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 23,815,499 Shares (representing 10 per cent. of the Company's issued share capital as at the date of passing of the relevant resolution) during the period ending on the earlier of the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required to be held by law or the date upon which such authority is revoked or varied by a resolution of the shareholders of the Company in general meeting.

### **2. REASONS FOR REPURCHASES**

Repurchases of Shares will only be made when the Directors believe that such a repurchase will benefit the Company and its members. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share of the Company and/or its earnings per Share.

### **3. FUNDING OF REPURCHASES**

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the memorandum and the articles of association of the Company and the Companies Ordinance. The Company may not purchase securities on 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.

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) in the event that the proposed repurchases of Shares were to be carried out in full at any time during the proposed repurchase 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 on its gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

#### 4. SHARE PRICES

The following table shows the highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the previous twelve months before the Latest Practicable Date:

Month	Highest trade price <i>HK\$</i>	Lowest trade price <i>HK\$</i>
<b>2004</b>		
March	0.680	0.580
April	0.600	0.600
May	0.590	0.550
June	0.550	0.440
July	0.390	0.390
August	0.680	0.390
September	0.620	0.500
October	0.800	0.480
November	0.830	0.500
December	0.690	0.580
<b>2005</b>		
January	0.950	0.630
February	0.710	0.570

#### 5. REPURCHASES IN THE PAST SIX MONTHS

During each of the six months preceding the date of this circular, the Company has not repurchased any of its Shares.

#### 6. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

None of the Directors nor, to the best of the knowledge and belief of the Directors having made all reasonable enquiries, any of their associates has any present intention, in the event that the proposed general mandate is approved by shareholders, to sell Shares to the Company.

No connected person of the Company (as defined in the GEM Listing Rules) has notified the Company that he/she/it has any present intention to sell Shares to the Company nor has undertaken not to do so in the event that the Company is authorized to make repurchases of its own shares.

#### 7. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases pursuant to the proposed Repurchase Mandate in accordance with the GEM Listing Rules, the Companies Ordinance and the regulations set out in the memorandum and articles of association of the Company.

**8. EFFECT OF 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 purpose of the Takeovers Code. As a result, a shareholder, or a group of shareholders acting in concert, depending on the level of increase in the shareholder's interests, could obtain or consolidate control of the Company and become 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, Melco Financial Group Limited is interested in approximately 67.57 per cent. of the existing issued share capital of the Company. In the event that the Directors should exercise in full the Repurchase Mandate, the shareholding of Melco Financial Group Limited in the Company will be increased to approximately 75.08 per cent. of the issued share capital of the Company. To the best of the knowledge and belief of the Directors, such increase would not give rise to an obligation to make a mandatory offer under the Takeovers Code. The Directors have no present intention to repurchase the Shares to the extent that it will trigger the obligations under the Takeovers Code to make a mandatory offer.

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## APPENDIX II      DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

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The followings are the particulars of the retiring Directors proposed to be re-elected at the AGM:

**(1) Dr. Lee Jun Sing, aged 58, Executive Director**

Dr. Lee joined the Group in January 2000 and is one of the founders of the Company. Dr. Lee graduated with a Doctor of Philosophy in Physical Chemistry from Indiana University, the United States, and did his postdoctoral research at John Hopkins University, the United States. Dr. Lee is also a director of numerous companies including Globalwide Shipping Limited, Guangzhou Luhu Golf & Country Club, iSinolaw Limited, Southchina International Enterprise Limited, Bio-Cancer Treatment International Limited, Overseas (Far East) Limited, Ningbo Yong Feng, Razor Blade Company Limited and Lisco Investment Company Limited and Managing Director of Vast Honour Development Limited.

Dr. Lee does not hold any directorship in other listed companies in the past three years. Save for being the Executive Director of the Company, he did not hold any other position in the Company or any subsidiary of the Company.

There is no service contract entered into between the Company and Dr. Lee, but Dr. Lee is subject to retirement and re-election at annual general meeting pursuant to the existing articles of association of the Company. Dr. Lee does not receive any emoluments or benefits for his directorship of the Company.

Dr. Lee does not have any relationships with any Directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, Dr. Lee is taken to be interested in 6,299,702 shares as a result of him being beneficially interested in the entire issued share capital of Best Summit International Limited which in turn holds approximately 2.65% of the issued share capital of the Company. The personal interests of Dr. Lee consist of derivative interests in the Company in form of (a) 3,136,510 physically settled options, which were granted on 6th April, 2001 and will expire on 8th October, 2005, at an exercise price of HK\$3.6 per the Company's share, and (b) 491,057 physically settled options, which were granted on 9th July, 2002 and which will expire on 8th July, 2012, at an exercise price of HK\$1.0 per the Company's share.

**(2) Attorney Patajo-Kapunan, Lorna, aged 52, Independent Non-executive Director**

Attorney Patajo-Kapunan joined the Group in November 2000. Attorney Patajo-Kapunan has been an active law practitioner in the Philippines for many years. She is a graduate from the University of the Philippines, College of Law and also majored in AB Political Science. Attorney Patajo-Kapunan has a number of professional involvements throughout her legal career. The most recent ones include Chairman, Intellectual Property Alumni Association (IPAA); Country Group President, Asean Patent Attorneys Association (APAA), Regional President, Asean Intellectual Property Association (ASEAN IP) and Vice President, Philippines Women Trial Lawyers Association. Attorney Patajo-Kapunan is a senior partner of Roco Kapunan Migallos Perez & Luna Law Offices and her fields of practice include corporate, litigation, intellectual property and family laws.

Attorney Patajo-Kapunan does not hold any directorship in other listed companies in the past three years. Save for being the Independent Non-executive Director of the Company, she did not hold any other position in the Company or any subsidiary of the Company.

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## APPENDIX II      DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED

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There is no service contract entered into between the Company and Attorney Patajo-Kapunan, but Attorney Patajo-Kapunan is subject to retirement and re-election at annual general meeting pursuant to the existing articles of association of the Company. The amount of emoluments for Attorney Patajo-Kapunan is HK\$120,000 per annum, which is determined by arm's length negotiation between the parties with reference to prevailing market rate. Save as disclosed herein, there are no other benefits provided to Attorney Patajo-Kapunan for her directorship in the Company.

Attorney Patajo-Kapunan does not have any relationships with any Directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, Attorney Patajo-Kapunan did not have any interests in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

### **(3) Mr. Sham Sui Leung, Daniel, aged 49, Independent Non-executive Director**

Mr. Sham joined the Group in August 2004. Mr. Sham qualified as a chartered accountant in England and Wales, and worked as a certified public accountant in Hong Kong for over 20 years. He was a partner of Moores Rowland Mazars for 14 years until he retired on 31st December, 2003. Mr. Sham has all-around experience in accounting, auditing and other related works, especially in the fields of corporate finance and securities regulations.

Mr. Sham is an independent non-executive director of AEON Stores (Hong Kong) Co., Limited, the securities of which are listed on The Stock Exchange of Hong Kong Limited. Save for being the Independent Non-executive Director of the Company, he did not hold any other position in the Company or any subsidiary of the Company.

There is no service contract entered into between the Company and Mr. Sham, but Mr. Sham is subject to retirement and re-election at annual general meeting pursuant to the existing articles of association of the Company. The amount of emoluments for Mr. Sham is HK\$120,000 per annum, which is determined by arm's length negotiation between the parties with reference to prevailing market rate. Save as disclosed herein, there are no other benefits provided to Mr. Sham for his directorship in the Company.

Mr. Sham does not have any relationships with any Directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Sham did not have any interests in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

### **(4) Dr. Tyen Kanhee, Anthony, aged 49, Independent Non-executive Director**

Dr. Tyen joined the Group in September 2004. Dr. Tyen holds a Doctoral degree in Philosophy and a Master degree in Business Administration, both from the Chinese University of Hong Kong. He is an associate member of the Hong Kong Institute of Certified Public Accountants, a fellow member of both the Association of Chartered Certified Accountants and the Institute of Chartered Secretaries and Administrators, and a member of the Chinese Institute of Certified Public Accountants. He is currently a practising certified public accountant in Hong Kong and has over 27 years' experience in auditing, accounting, management and company secretarial practice.

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**APPENDIX II      DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED**

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Dr. Tyen is a director of Recruit Holdings Limited, the securities of which are listed on the Growth Enterprises Market of The Stock Exchange of Hong Kong Limited. Save for being the Independent Non-executive Director of the Company, he did not hold any other position in the Company or any subsidiary of the Company.

There is no service contract entered into between the Company and Dr. Tyen, but Dr. Tyen is subject to retirement and re-election at annual general meeting pursuant to the existing articles of association of the Company. The amount of emoluments for Dr. Tyen is HK\$120,000 per annum, which is determined by arm's length negotiation between the parties with reference to prevailing market rate. Save as disclosed herein, there are no other benefits provided to Dr. Tyen for his directorship in the Company.

Dr. Tyen does not have any relationships with any Directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, Dr. Tyen did not have any interests in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).