
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in ITE (Holdings) Limited, you should at once hand this circular 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 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.

**ITE (HOLDINGS) LIMITED**

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8092)

**RE-ELECTION OF DIRECTOR
AND
PROPOSED GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
AND
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an annual general meeting of ITE (Holdings) Limited to be held at Tang Room I, 3/F., Sheraton Hong Kong Hotel, 20 Nathan Road, Kowloon, Hong Kong at 10:30 a.m. on Thursday, 15 July 2004 is set out on pages 12 to 21 of this circular. If you are not able to attend the meeting in person, you are requested to complete and return the enclosed proxy form in accordance with the instructions printed thereon and deposit the same with Hong Kong Registrars Limited, the branch share registrar of ITE (Holdings) Limited in Hong Kong, at Shop 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

This circular will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for 7 days from the date of its posting and on the website of the Company at www.hkite.com.

18 June 2004

CONTENTS

	<i>Page</i>
Characteristics of GEM	ii
Definitions	1
Responsibility statement	3
Letter from the Board	
Introduction	4
Re-election of director	5
Proposed general mandate to issue shares	5
Proposed general mandate to repurchase shares	5
Proposed amendments to the Articles of Association	6
The Annual General Meeting	6
Recommendation	7
Appendix I – Details of director	8
Appendix II – Explanatory statement	9
Notice of Annual General Meeting	12

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 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.

DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at Tang Room I, 3/F., Sheraton Hong Kong Hotel, 20 Nathan Road, Kowloon, Hong Kong on Thursday, 15 July 2004 at 10:30 a.m., notice of which is set out on pages 12 to 21 of this circular
“Annual Report”	the annual report of the Company for the year ended 31 March 2004
“associates”	has the meaning as defined in the GEM Listing Rules
“Company”	ITE (Holdings) Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM
“connected person(s)”	has the meaning as ascribed to it in the GEM Listing Rules
“Director(s)”	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
“Group”	ITE (Holdings) Limited and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	the general and unconditional mandate proposed to be granted to Directors to allot, issue and deal with Shares not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the relevant resolution at the AGM, which is extended by the addition of the number of Shares purchased under the Repurchase Mandate
“Latest Practicable Date”	16 June 2004, being the latest practicable date prior to the printing of this circular for ascertaining certain information of this circular

DEFINITIONS

“Repurchase Mandate”	the general and unconditional mandate proposed to be granted to Directors to exercise the power of the Company to repurchase Shares up to a maximum of 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the relevant resolution at the AGM
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company
“Share Repurchase Rules”	the relevant rules set out in the GEM Listing Rules to regulate the repurchase by companies with primary listing on the GEM of their own securities on the GEM
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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:

1. the information contained in this circular is accurate and complete in all material respects and not misleading;
2. there are no other matters the omission of which would make any statement in this circular misleading; and
3. 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.

LETTER FROM THE BOARD



ITE (HOLDINGS) LIMITED

(Incorporated in the Cayman Islands with limited liability)

Directors:

Executive Directors:

Lau Hon Kwong, Vincent (*Chairman*)

George Roger Manho

Cheng Kwok Hung

Liu Hoi Wah

Independent non-executive Directors:

Lee Peng Fei, Allen

Tsao Kwang Yung, Peter

Registered office:

Century Yard

Cricket Square

Hutchins Drive

P.O. Box 2681 GT

George Town

Grand Cayman

British West Indies

**Head office and principal
place of business:**

Units 1717-20, Level 17, Tower I

Grand Century Place

193 Prince Edward Road West

Mongkok,

Kowloon

Hong Kong

18 June 2004

To the Shareholders

Dear Sir or Madam,

**RE-ELECTION OF DIRECTOR
AND
PROPOSED GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
AND
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the AGM to be held at Tang Room I, 3/F., Sheraton Hong Kong Hotel, 20 Nathan Road, Kowloon, Hong Kong on Thursday, 15 July 2004 at 10:30 a.m. which, upon approval, would enable the Company to:

- (a) re-elect director who is due to retire at the AGM;
- (b) allot, issue and deal with additional shares of the Company and to make or grant offers, agreements, options and warrants not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing the relevant resolution;

LETTER FROM THE BOARD

- (c) repurchase shares not exceeding 10% of the aggregate nominal value of the shares of the Company in issue as at the date of passing the relevant resolution;
- (d) add to the general mandate for issuing shares set out in (b) above the number of shares repurchased by the Company pursuant to the Repurchase Mandate set out in (c) above; and
- (e) amend its articles of association in light of recent changes to the GEM Listing Rules.

RE-ELECTION OF DIRECTOR

In accordance with Articles 108 of the Company's Articles of Association, Mr. Liu Hoi Wah will be retired from office by rotation and be eligible for re-election at the AGM. Details of Mr. Liu Hoi Wah who is required to be disclosed by the GEM Listing Rules are set out in Appendix I to this circular.

PROPOSED GENERAL MANDATE TO ISSUE SHARES

At the AGM, it will be proposed, by way of ordinary resolution, that the Directors of the Company be given a general and unconditional mandate to exercise all powers of the Company to allot, issue and deal with additional shares in the capital of the Company up to 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the ordinary resolution. In addition, it is further proposed, by way of a separate ordinary resolution, that the Issue Mandate be extended so that the Directors of the Company be given a general mandate to issue further shares in the Company of an aggregate nominal amount equal to the aggregate nominal amount of the share capital of the Company repurchased under the Repurchase Mandate. Any issue of new shares in the Company is subject to approval from the Stock Exchange for the listing of and permission to deal such new shares.

PROPOSED GENERAL MANDATE TO REPURCHASE SHARES

At the AGM, it will also be proposed, by way of ordinary resolution, that the Directors be given a general unconditional mandate to repurchase shares of the Company not exceeding 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing such resolution.

An explanatory statement containing all relevant information relating to the Repurchase Mandate and pursuant to the GEM Listing Rules (as amended in accordance with the Amendments), in particular rule 13.08, is set out in the Appendix to this circular. The information in the explanatory statement is intended to provide you with the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolutions relating to the Repurchase Mandate.

LETTER FROM THE BOARD

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Directors wish to propose a special resolution at the AGM to amend the Articles of Association of the Company to ensure its compliance with the amended provisions of Appendix 3 and other provisions to the GEM Listing Rules (the “Revised GEM Listing Rules”). In principle, the Articles of Association must conform with the following:

- (1) The minimum seven-day period for lodgment by the Shareholders of the notice to nominate a Director shall commence no earlier than the day after the dispatch of the notice of the meeting appointed for such election and end no later than seven days before the date of such meeting;
- (2) The Directors shall abstain from voting at and being counted towards the quorum of the board meeting on any matter in which he or any of his associates has a material interest; and
- (3) Where any Shareholder is, under the GEM Revised Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such Shareholder in contravention of such requirement or restriction shall not be counted.

A full text of the proposed amendments to the articles of association is contained in resolution no. 5 in the notice of AGM set out on pages 12 to 21 of this circular.

THE ANNUAL GENERAL MEETING

A notice of the AGM is set out on pages 12 to 21 of this circular. Resolutions 4A to 4C relating to the general mandates will be proposed as ordinary resolutions at the AGM for your consideration and approval. Resolution 5 relating to the amendments to the articles of association of the Company will be proposed as special resolution at the AGM for your consideration and approval.

A form of proxy for use at the AGM is enclosed with this circular. To be valid, the form of proxy must be completed in accordance with the instructions printed thereon and deposited, together with power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority, at the Company’s branch share registrar of the Company in Hong Kong, Hong Kong Registrars Limited, at Shop 1712-1716, 17/F., Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong not later than 10:30 a.m. on 13 July 2004. Completion and delivery of the form of proxy will not prevent you from attending and voting at the AGM or any adjournment thereof should you so wish.

LETTER FROM THE BOARD

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 recommend Shareholders to vote in favour of the resolutions relating to the general mandates and the amendments to the articles of association to be proposed at the AGM as they intend to do themselves in respect of their own holdings, if any.

By Order of the Board
Lau Hon Kwong, Vincent
Chairman

Mr. Liu Hoi Wah, aged 35, is an executive and Chief Finance Officer of the Group. He is responsible for financial management, accounting and corporate development. He joined the Group in March 2000 and has 13 years of experience in auditing and corporate finance. Mr. Liu was a financial controller of a private group. He graduated from The London School of Economics and Political Science of the University of London with a Bachelor of Science degree, first class honours in Management Sciences. He is an associate member of each of the Institute of Chartered Accountants in England and Wales and the Hong Kong Society of Accountants. Mr. Liu is the younger brother of Mr. Lau Hon Kwong, Vincent, the Chief Executive Officer of the Company. As at 31 March 2004, Mr. Liu had the following personal interests in options to subscribe for shares of the Company granted at HK\$1 under a share option scheme of the Company:

Number of options outstanding at 31 March 2004	Date granted	Period during which options exercisable	Price per share to be paid on exercise of options
19,112,640 (Long Position)	12 February 2001	21 August 2001 to 11 February 2011	HK\$0.095

Save as disclosed above, Mr. Liu does not have any other relationships with any directors, senior management or substantial or controlling shareholders of the Company nor have any interests in the Shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Liu have entered into service contracts with the Company on 16 March 2004 for an initial fixed term of one year commencing from 1 April 2004 which will continue thereafter until terminated by three months' notice in writing. The director's emoluments of Mr. Liu as an Chief Finance Officer for the year ended 31 March 2004 was HK\$75,600. Mr. Liu has no other directorship in other listed public companies. There are no other matters that need to be brought to the attention of the Shareholders of the Company.

This is an explanatory statement given to Shareholders of the Company relating to the Resolution 4B 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. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 907,536,000 Shares.

Subject to the passing of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase Shares up to a maximum of 90,753,600 Shares representing not more than 10% of the share capital of the Company in issue as at the Latest Practicable Date.

2. REASONS FOR REPURCHASE

Although the Directors have no present intention of repurchasing the Shares, they believe that it is in the best interest of the Company and its shareholders for the Directors to have general authority from the shareholders to enable the Directors to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and its shareholders.

3. FUNDING OF REPURCHASE

In repurchasing any Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum and articles of association and the applicable laws and regulations of the Cayman Islands. The Company may not purchase 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.

There might be an 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 for the year ended 31 March 2004) 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 the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

4. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange in each of the previous twelve months before the Latest Practicable Date are as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2003		
June	0.060	0.055
July	0.064	0.055
August	0.066	0.030
September	0.090	0.041
October	0.065	0.050
November	0.084	0.060
December	—*	—*
2004		
January	0.083	0.078
February	0.078	0.070
March	—*	—*
April	—*	—*
May	—*	—*
June (up to the Latest Practicable Date)	—*	—*

* *There was no trading of Shares during the month.*

5. UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to make purchases pursuant 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 and belief having made all reasonable enquiries, their associates, have any present intention to sell any Shares to the Company or its subsidiaries under the Repurchase Mandate if such resolution is approved by the shareholders.

No connected persons of the Company has notified the Company that they have a present intention to sell Shares to the Company or its subsidiaries, or have undertaken not to do so, in the event that the Repurchase Mandate is approved by the shareholders.

6. TAKEOVERS CODE

Assuming that the substantial shareholders of the Company (the “Substantial Shareholders”) do not dispose of its Shares, if the Repurchase Mandate was exercised in full, the percentage of the Substantial Shareholders before and after such repurchase would be as follows:

Substantial Shareholders	Before repurchase	After repurchase
Rax-Comm (BVI) Limited	53.58%	59.53%
George Roger Manho	16.32%	18.14%

If, as a result of a shares repurchase, 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. Accordingly, a shareholder or a group of shareholders acting in concert (within the meaning under the Takeovers 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 Takeover Code.

Save as aforesaid, the Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate to repurchase shares. If the Directors exercise the Repurchase Mandate (whether in whole or in part), they will not exercise it to the extent which would result in the number of Shares being held by the public falling below the relevant minimum prescribed percentage of the Company as required by the GEM Listing Rules, which is currently 25% of the entire issued share capital of the Company.

7. SHARE REPURCHASES MADE BY THE COMPANY

The Company had not purchased any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

NOTICE OF ANNUAL GENERAL MEETING



ITE (HOLDINGS) LIMITED

(Incorporated in the Cayman Islands with limited liability)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an annual general meeting of ITE (Holdings) Limited (the “Company”) will be held at Tang Room I, 3/F., Sheraton Hong Kong Hotel, 20 Nathan Road, Kowloon, Hong Kong on Thursday, 15 July 2004 at 10:30 a.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements and the reports of the directors and the auditors for the year ended 31 March 2004;
2. To re-elect retiring directors and authorise the board of directors to fix the remuneration of directors;
3. To re-appoint auditors and authorise the board of directors to fix their remuneration;
4. As special business, to consider and, if thought fit, pass with or without amendments the following resolutions as ordinary resolutions:

(A) **“THAT**

- (a) subject to paragraph (c) of this Resolution, and pursuant to the Rules Governing the Listing of Securities on The Growth Enterprise Market (“GEM Listing Rules”) of The Stock Exchange of Hong Kong Limited (“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 and deal with additional shares in the capital of the Company and to make and grant offers, agreements and options (including but not limited to warrants, bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible into shares of the Company) which might require shares to be allotted be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this Resolution shall authorise the directors of the Company during the Relevant Period to make and grant offers, agreements and options (including but not limited to warrants, bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible into shares of the Company) which might require shares to be allotted after the end of the Relevant Period;

NOTICE OF ANNUAL GENERAL MEETING

- (c) the aggregate nominal amount of the 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 paragraph (a) of this Resolution, otherwise than pursuant to:
- (i) a Rights Issue (as hereinafter defined); or
 - (ii) an issue of shares upon the exercise of subscription rights under any option scheme or similar arrangement for the time being adopted for the grant or issue to the grantees as specified in such scheme or similar arrangement of shares or rights to acquire shares of the Company; or
 - (iii) any issue of shares pursuant to the exercise of rights of subscription or conversion under the terms of any existing warrants, bonds, debentures, notes and other securities of the Company which carry rights to subscribe for or are convertible into shares of the Company; or
 - (iv) an issue of shares pursuant to any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of the dividend on shares of the Company in accordance with the Articles of Association of the Company, shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this Resolution and the said approval shall be limited accordingly; and
- (d) for the purpose of this Resolution:

“Relevant Period” means the period from the date of 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 any applicable law or the articles of association of the Company to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this Resolution.

“Rights Issue” means an offer of shares in the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for shares open for a period fixed by the directors of the Company to holders of shares in the Company on the register on a fixed record date in proportion to their holdings of shares (subject to such exclusion or other arrangements as the directors of

NOTICE OF ANNUAL GENERAL MEETING

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 paragraph (b) of this Resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase its shares on the Growth Enterprise Market (“GEM”) of the Stock Exchange or on any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the GEM Listing Rules of the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company which the Company is authorised to repurchase pursuant to the approval in paragraph (a) of this Resolution during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing this Resolution and the said approval shall be limited accordingly; and
- (c) for the purpose of this Resolution:

“Relevant Period” means the period from the date of 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 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 passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this Resolution.”

NOTICE OF ANNUAL GENERAL MEETING

(C) “**THAT**, subject to the passing of Resolution Nos. 4A and 4B, the general mandate granted to the directors of the Company to allot, issue and deal with additional shares pursuant to Resolution 4A be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of shares repurchased by the Company under the authority granted pursuant to Resolution 4B provided that such extended amount shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this Resolution.”

5. As special business, to consider and, if thought fit, pass with or without amendments the following resolution as special resolution:

“**THAT** the articles of association of the Company be and are altered in the following manner:

1. Article 1(A) be amended by:

(a) deletion of the definition of “associates” in its entirety and insertion of the following in its place:

““associates”, in relation to any Director, shall have the meaning as ascribed to it in the Listing Rules;”;

(b) deleting the words “a recognised clearing house within the meaning of section 2 of the Securities and Futures (Clearing Houses) Ordinance (Cap. 420 of the Laws of Hong Kong) or” from the definition of “clearing house”;

(c) insertion of the following definitions immediately before the definition of “month”:

““Hong Kong” shall mean the Hong Kong Special Administrative Region of the People’s Republic of China;

“Listing Rules” shall mean the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited;”

2. Article 84 be deleted in its entirety and replaced with the following:

“84. (A) Subject to paragraph (B) of this Article 84, no objection shall be raised to the qualification of any person exercising or purporting to exercise a vote or the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman, whose decision shall be final and conclusive.

NOTICE OF ANNUAL GENERAL MEETING

(B) At all times during the Relevant Period (but not otherwise), where any shareholder is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such shareholder (whether by way of proxy or, as the case may be, corporate representative) in contravention of such requirement or restriction shall not be counted.”

3. Article 107 be amended by:

- a. insertion of the words “or the appointment of any of his associates” immediately after the word “appointment” on the second line in paragraph (D);
- b. insertion of the words “or any of the associate(s) of any such Director(s)” immediately after the word “Directors” on the third line in paragraph (E);
- c. insertion of the words “or, as the case may be, the associate(s) of such Director” immediately after the words “in relation to each Director” on the fifth and sixth lines in paragraph (E);
- d. insertion of the words “or the appointment of any of his associates” immediately after the words “except that concerning his own appointment” on the eighth line in paragraph (E);
- e. deletion of the words “together with any of” and insertion of the word “and” in their place on the twelfth line in paragraph (E);
- f. insertion of the words “in aggregate” immediately after the words “his associates” on the twelfth line in paragraph (E);
- g. deletion of paragraph (G) in its entirety and insertion of the following in its place:

“(G) If to the knowledge of a Director, he or any of his associates, is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company, he shall declare the nature of his or, as the case may be, his associate(s)’ interest at the meeting of the Directors at which the question of entering into the contract or arrangement is first taken into consideration, if he knows his interest or that of his associate(s) then exists, or in any other case at the first meeting of the Directors after he knows that he or his associate(s) is or has become so interested. For the purposes of this Article, a general notice to the Directors by a Director to the effect that (a) he or his associate(s) is a shareholder of a specified company or firm and is to be regarded as interested in any contract or arrangement which

NOTICE OF ANNUAL GENERAL MEETING

may after the date of the notice be made with that company or firm or (b) he or his associate(s) is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with a specified person who is connected with him or any of his associate(s), shall be deemed to be a sufficient declaration of interest under this Article in relation to any such contract or arrangement; provided that no such notice shall be effective unless either it is given at a meeting of the Directors or the Director takes reasonable steps to secure that it is brought up and read at the next meeting of the Directors after it is given.”;

- h. deletion of paragraph (H) in its entirety and insertion of the following in its place:

“(H) A Director shall not vote (nor be counted in the quorum) on any resolution of the Directors approving any contract or arrangement or proposal in which he or any of his associate(s) is to his knowledge materially interested, and if he shall do so his vote shall not be counted (nor is he counted in the quorum for that resolution), but this prohibition shall not apply to any of the following matters namely:

- (i) any contract or arrangement for the giving by the Company of any security or indemnity to the Director or his associate(s) in respect of money lent or obligation undertaken by him or any of them at the request of or for the benefit of the Company or any company in which the Company has interest;
- (ii) any contract or arrangement for the giving by the Company of any security or indemnity to a third party in respect of a debt or obligation of the Company or any company in which the Company has interest for which the Director or his associate(s) has himself/themselves guaranteed or secured or otherwise assumed responsibility in whole or in part and whether alone or jointly under a guarantee or by the giving of security;
- (iii) any contract or arrangement by the Director or his associate(s) to subscribe for shares or debentures or other securities of the Company to be issued pursuant to any offer or invitation to the shareholders or debenture or securities holders of the Company or to the public which does not provide the Director and his associate(s) any privilege not accorded to any other shareholders or debenture or securities holders of the Company or to the public;
- (iv) any contract or arrangement concerning an offer of the shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for

NOTICE OF ANNUAL GENERAL MEETING

subscription or purchase where the Director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer and/or for the purposes of making any representations, the giving of any covenants, undertakings or warranties or assuming any other obligations in connection with such offer;

- (v) any contract or arrangement in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their respective interest in shares or debentures or other securities of the Company and/or his/their being the offeror or one of the offerors or is interested in one of the offerors for the purchase or effective acquisition of such shares, debentures or other securities;
- (vi) any contract or arrangement concerning any other company in which the Director or his associate(s) is/are interested, whether directly or indirectly or as an officer or an executive or a shareholder in which the Director or his associate(s) is/are beneficially interested in shares of that company provided that, such Director and any of his associates are not in aggregate beneficially interested in five (5) per cent. or more of the issued shares of any class of the voting equity share capital of such company or of the voting rights of any class of shares of such company (other than shares which carry no voting rights at general meetings and no or nugatory dividend and return of capital rights);
- (vii) any proposal or arrangement for the benefit of employees of the Company or its subsidiaries including the adoption, modification or operation of a pension fund or retirement, death or disability benefit scheme or personal pension plan under which a Director, his associate(s) and employees of the Company or of any of its subsidiaries may benefit and which has been approved by or is subject to and conditional on approval by the relevant taxing authorities for taxation purposes or relates to Directors, associate(s) of Directors and employees of the Company or of any of its subsidiaries and does not give the Director or his associate(s) any privilege not accorded to the class of persons to whom such scheme or fund relates;
- (viii) any proposal concerning the adoption, modification or operation of any employees' share scheme involving the issue or grant of options over shares or other securities by the Company to, or for the benefit of the employees of the Company or its subsidiaries under which the Director or his associate(s) may benefit; and

NOTICE OF ANNUAL GENERAL MEETING

- (ix) any contract, transaction or proposal concerning the purchase and/or maintenance of any insurance policy for the benefit of any Director, his associate(s), officer or employee pursuant to these Articles.”;
- i. deletion of paragraph (I) in its entirety and insertion of the following in its place:
- “(I) A company shall be deemed to be a company in which a Director and his associates in aggregate own five (5) per cent. or more of any class of the voting equity share capital of such company or of the voting rights of any class of shares of such company if and so long as (but only if and so long as) he and his associates are (either directly or indirectly) the holder of or beneficially interested in five (5) per cent. or more of any class of the issued voting equity share capital of such company (or of any third company, other than the Company or any of its subsidiaries, through which his interest is derived) or of the voting rights of any class of shares of the company.
- For the purposes of this paragraph there shall be disregarded any shares held by a Director or any of his associate(s) as bare or custodian trustee and in which he or such associate(s) has/have no beneficial interest, any shares comprised in a trust in which the interest of the Director or any of his associates is in reversion or remainder if and so long as some other person is entitled to receive the income thereof, any shares comprised in an authorised unit trust scheme in which the Director or any of his associates is interested only as a unit holder, and shares which carry no voting right at general meetings and no or nugatory dividend and return of capital rights.”;
- j. deletion of the words “together with” and insertion of the word “and” in their place on the fifth line in paragraph (J);
- k. insertion of the words “in aggregate” immediately after the words “his associates” on the fifth line in paragraph (J);
- l. insertion of the words “or his associates” immediately after the words “interest of a Director” on the second line in paragraph (K);
- m. insertion of the words “or his associates” immediately after the word “concerned” on the eighth line in paragraph (K) and the word “Chairman” on the fifteenth line in paragraph (K); and
- n. insertion of the words “or any of his associates” immediately after the words “notwithstanding that he” on the fifth line in paragraph (L).

NOTICE OF ANNUAL GENERAL MEETING

4. Article 113 be amended by:
- a. deletion of the words “at least seven (7) clear days” and insertion of the following in their place on the sixth line:

“for at least seven (7) days commencing no earlier than the day immediately after the despatch of the notice of the general meeting and ending no later than seven (7) days”; and
 - b. deletion of the word “the” and insertion of the word “such” in its place on the sixth line.
5. Article 175 be amended by deletion of the word “Accounting” and insertion of the words “Financial Reporting” in its place on the eighth line in paragraph (A).”

By order of the Board
ITE (Holdings) Limited
Liu Hoi Wah
Company Secretary

Hong Kong, 18 June 2004

Registered office:

Century Yard
Cricket Square
Hutchins Drive
P.O. Box 2681 GT
George Town
Grand Cayman
British West Indies

Head office and principal place of business:

Units 1717-20, Level 17, Tower I
Grand Century Place
193 Prince Edward Road West
Mongkok
Kowloon
Hong Kong

NOTICE OF ANNUAL GENERAL MEETING

Notes:

- (a) Any member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and vote on his behalf in accordance with the articles of association of the Company. A proxy need not to be a member of the Company.
- (b) To be valid, a form of proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority must be deposited with the Company's registrar in Hong Kong, Hong Kong Registrars Limited, Shop 1712-1716, 17/F., Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 48 hours before the time for holding the meeting or at any adjournment thereof.
- (c) Delivery of an instrument appointing a proxy should not preclude a member from attending and voting in person at the meeting and in such event, the instrument appointing a proxy shall be deemed to be revoked once the registered shareholder attend at the meeting.
- (d) A circular containing further details regarding ordinary resolution no. 4B as required by the GEM Listing Rules of the Stock Exchange will be dispatched to the members of the Company together with the annual report for the financial year ended 31 March 2004.