

**If you are in any doubt** 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 Allan International Holdings Limited, you should at once hand this circular with the enclosed form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or the transfer was effected for transmission to the purchaser or transferee.

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**ALLAN INTERNATIONAL HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 684)

**NOTICE OF ANNUAL GENERAL MEETING  
AND  
PROPOSAL FOR GENERAL MANDATES TO ISSUE  
AND REPURCHASE SHARES  
AND  
ADOPTION OF NEW BYE-LAWS  
AND  
RE-ELECTION OF DIRECTORS**

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A notice convening an annual general meeting of the Company to be held at 3:45 p.m. on 18 August 2004 at World Trade Centre Club Hong Kong, 38th Floor, World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong is set out on pages 17 to 21. A form of proxy is also enclosed.

If you are not able to attend and vote at the annual general meeting, you are requested to complete the enclosed proxy form and return it to the office of the branch share registrar of the Company in Hong Kong, Standard Registrars Limited at G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the annual general meeting. Completion and return of the proxy form will not preclude you from subsequently attending and voting at the annual general meeting or any adjourned meetings should you so wish.

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## **RESPONSIBILITY STATEMENT**

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This circular includes particulars given in compliance with the 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, there are no other facts the omission of which would make any statement herein misleading.

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## DEFINITIONS

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

|                               |   |
|-------------------------------|---|
| “AGM Notice”                  | the notice of the Annual General Meeting despatched to the Shareholders together with this circular;  |
| “Annual General Meeting”      | the annual general meeting of the Company to be held at World Trade Centre Club Hong Kong, 38th Floor, World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong on 18 August 2004 at 3:45 p.m., to consider and, if appropriate, to approve the Ordinary Resolutions and the Special Resolution or any adjournment thereof; |
| “associates”                  | has the same meaning ascribed in the Listing Rules;   |
| “Board”                       | the board of Directors;   |
| “Company”                     | Allan International Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange;   |
| “Connected Person”            | has the same meaning ascribed in the Listing Rules;   |
| “Directors”                   | directors of the Company;   |
| “Existing Bye-Laws”           | the Bye-laws of the Company for the time being in force adopted on 21 October 1992;   |
| “Existing Issue Mandate”      | a general mandate granted to the Directors at the annual general meeting of the Company held on 15 August 2003 to allot, issue and deal with Shares not exceeding 20 per cent. of the aggregate of the nominal amount of the issued share capital of the Company as at 15 August 2003;  |
| “Existing Repurchase Mandate” | a general mandate granted to the Directors at the annual general meeting of the Company held on 15 August 2003 to repurchase Shares not exceeding 10 per cent. of the aggregate number of shares comprised in the share capital of the Company in issue as at 15 August 2003;   |
| “Group”                       | the Company and its Subsidiaries;   |
| “Hong Kong”                   | The Hong Kong Special Administrative Region of the People’s Republic of China;  |

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## DEFINITIONS

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|                               |   |
|-------------------------------|---|
| “Latest Practicable Date”     | 13 July 2004, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular;   |
| “Listing Rules”               | the Rules Governing the Listing of Securities on the Stock Exchange;  |
| “New Bye-Laws”                | the new Bye-laws proposed to be adopted at the Annual General Meeting, the principal terms of which are summarised in Appendix II to this circular;   |
| “Ordinary Resolutions”        | the ordinary resolutions to be proposed and passed at the Annual General Meeting as set out in the AGM Notice;  |
| “Proposed Repurchase Mandate” | a general mandate proposed to be granted to the Directors at the Annual General Meeting to repurchase Shares not exceeding 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of relevant resolution granting the Proposed Repurchase Mandate; |
| “Share(s)”                    | ordinary share(s) of HK\$0.10 each in the capital of the Company or if there has been a sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company;   |
| “Shareholder(s)”              | registered holder(s) of Share(s);   |
| “Special Resolution”          | the special resolution to be proposed and passed at the Annual General Meeting as set out in the AGM Notice;  |
| “Stock Exchange”              | The Stock Exchange of Hong Kong Limited;  |
| “Subsidiary”                  | has the same meaning ascribed in the Listing Rules;   |
| “HK\$” and “cents”            | Hong Kong dollars and cents, the lawful currency in Hong Kong.  |



**ALLAN INTERNATIONAL HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

*Executive Directors:*

Mr. Cheung Lun (*Chairman*)  
Mr. Cheung Shu Wan (*Managing Director*)  
Ms. Cheung Lai Chun, Maggie  
Ms. Cheung Lai See, Sophie  
Mr. Cheung Pui

*Registered Office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Independent Non-Executive Directors:*

Mr. Lai Ah Ming, Leon  
Professor Lo Chung Mau

*Head Office and Principal Place  
of Business in Hong Kong:*

12th Floor  
Zung Fu Industrial Building  
1067 King's Road  
Quarry Bay  
Hong Kong

13 July 2004

*To the Shareholders*

Dear Sir or Madam,

**PROPOSAL FOR GENERAL MANDATES TO ISSUE  
AND REPURCHASE SHARES  
AND  
ADOPTION OF NEW BYE-LAWS  
AND  
RE-ELECTION OF DIRECTORS**

**INTRODUCTION**

The purpose of this circular is to provide you with information in respect of the Ordinary Resolutions to be proposed at the Annual General Meeting for the granting to the Directors a general mandate to issue Shares and repurchase Shares.

This circular also provides you with information in respect of the Special Resolution to be proposed at the Annual General Meeting for the approval of the New Bye-laws.

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## LETTER FROM THE BOARD

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### GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

At the annual general meeting of the Company held on 15 August 2003, ordinary resolutions were passed granting the Existing Issue Mandate and the Existing Repurchase Mandate to the Directors.

In accordance with the provisions of the Listing Rules and the terms of the Existing Issue Mandate and the Existing Repurchase Mandate, the Existing Issue Mandate and the Existing Repurchase Mandate shall lapse if, inter alia, they are revoked or varied by ordinary resolution of the Shareholders in general meeting.

Resolutions set out as Resolutions 5 and 6 in the notice of the Annual General Meeting will be proposed at the Annual General Meeting to grant to Directors a general mandate:

- (i) to repurchase Shares the aggregate amount of which do not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the Annual General Meeting; and
- (ii) to allot, issue and deal with Shares not exceeding:
  - (a) in the case of an allotment and issue of Shares for cash (other than an allotment and issue of Shares pursuant to a rights issue), 5% of the aggregate nominal amount of the share capital in issue as at the Annual General Meeting; and
  - (b) in the case of an allotment and issue of Shares other than for cash, 20% of the aggregate nominal amount of the share capital in issue as at the Annual General Meeting (less Shares (if any) issued pursuant to the general mandate granted pursuant to sub-paragraph (a) above),

provided that, in any event, any Shares to be allotted and issued pursuant to this general mandate shall not be allotted and issued at a discount of 5% or more to the Benchmarked Price of the Shares.

For the avoidance of doubt, the total number of Shares to be issued pursuant to the general mandates granted to the Directors under Resolution 5 shall not exceed 20% of the aggregate nominal amount of the share capital in issue as at the Annual General Meeting.

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## LETTER FROM THE BOARD

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For the purposes of these resolutions, the “**Benchmarked price**” shall be a price which is the higher of:

- (i) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on the date of signing of the agreement to which the transaction relates; or
- (ii) the average closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet for the five trading days immediately preceding the earlier of:
  - (a) the date of signing of the agreement to which the transaction relates; or
  - (b) the date on which the relevant transaction is announced; or
  - (c) the date on which the price of the Shares to be issued pursuant to the transaction is fixed.

With reference to these resolutions, the Directors wish to state that they have no immediate plans to repurchase any Shares or to issue any new Shares pursuant to the relevant mandates.

An explanatory statement required by the Listing Rules to be sent to Shareholders in connection with the Proposed Repurchase Mandate is set out in the Appendix I to this circular. The Appendix contains all information reasonably necessary to enable Shareholders to make an informed decision on whether to vote for or against the relevant resolutions at the Annual General Meeting.

### **ADOPTION OF THE NEW BYE-LAWS**

The Directors further proposed that the Existing Bye-Laws be replaced by adopting the New Bye-Laws on the ground that since the Existing Bye-Laws were originally adopted pursuant to a resolution of the Shareholders passed on 21 October 1992, a number of provisions therein should have been amended to take into account various changes in applicable laws, regulations and market practices since then. As such amendments are substantial, it is proposed that the New Bye-Laws be adopted instead of amending the Existing Bye-Laws on a piecemeal basis which may lead to confusion and complication in future. The Directors considered that the New Bye-Laws are in conformity with the current form of bye-laws generally adopted by companies incorporated in Bermuda and listed on the Stock Exchange and most importantly, the New Bye-Laws are in compliance with the latest amended requirements of the Listing Rules which took effect on 31 March, 2004.

A summary of the principal terms of the New Bye-Laws is set out in Appendix II to this circular. The New Bye-Laws will be proposed for approval and adoption in substitution of, and as replacement for, the Existing Bye-Laws by the Shareholders at the Annual General Meeting by way of the Special Resolution.



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## LETTER FROM THE BOARD

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### RE-ELECTION OF DIRECTORS

According to bye-law 87 of the Existing 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 greater than one-third) shall retire from office by rotation excluding the chairman of the Board and/or the Managing Director. A retiring Director shall be eligible for re-election.

The Board currently comprises seven Directors. Accordingly, at the Annual General Meeting, Mr. Cheung Pui and Professor Lo Chung Mau will retire by rotation and being eligible, will offer themselves for re-election as Directors. At the Annual General Meeting, ordinary resolutions will therefore be proposed to re-elect both Mr. Cheung Pui and Professor Lo Chung Mau as Directors.

A brief biography of each of Mr. Cheung Pui and Professor Lo Chung Mau and other relevant particulars are set out as follows:

**Mr. Cheung Pui**, aged 57, is the Executive Director of the Company and joined the Group in 1963. He has over 37 years of experience in the plastic injection moulding industry. He is responsible for all technical aspects of plastic injection moulding activities of the Group and is a director of Allan Electric Mfg. Limited, Allan International Limited, Allan Plastic Mfg. Limited, Allan Toys Manufacturing Limited, Ever Sources Investment Limited, Ngai Shing (Far East) Plastic & Metalwares Factory Ltd., Warran Electric Manufacturing Limited, all being subsidiaries of the Company. He is also a director and a shareholder of Allan Investment Co., Ltd., a Controlling Shareholder of the Company (as defined in the Listing Rules), holding approximately 11 per cent. of its entire issued share capital. Mr. Cheung is the nephew of Mr. Cheung Lun, who is the chairman of the Company and he is also the cousin of Mr. Cheung Shu Wan, Ms. Cheung Lai Chun, Maggie and Ms. Cheung Lai See, Sophie, all of whom are the Executive Directors of the Company.

Save as disclosed herein, Mr. Cheung does not have any relationships with any other Directors, senior management of the Company, substantial Shareholders (as defined in the Listing Rules) or controlling Shareholders (as defined in the Listing Rules).

As at the Latest Practicable Date, Mr. Cheung was interested in 1,000,000 Shares. Save as disclosed herein, as at the Latest Practicable Date, Mr. Cheung does not have, and is not deemed to have, any interests or short positions in any shares, underlying shares or debentures of the Company and/or its associated corporations (with the meaning of Part XV of the Securities and Futures Ordinance).

Mr. Cheung entered into a service agreement with the Company on 1st October 2001. According to the terms of the service agreement, Mr. Cheung is entitled to (i) a monthly salary of HK\$74,800; and (ii) a discretionary bonus which is subject to the annual review at the discretion of the Board.

**Professor Lo Chung Mau**, aged 43, was appointed as an Independent Non-Executive Director in November 1997. He is a surgeon specialising in liver surgery including liver transplantation and is currently a Professor of Surgery at the University of Hong Kong.

Professor Lo does not have any relationships with any other Directors, senior management of the Company, substantial Shareholders (as defined in the Listing Rules) or controlling Shareholders (as defined in the Listing Rules).

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## LETTER FROM THE BOARD

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There is no service agreement between the Company and Professor Lo as acting as Independent Non-executive Director since 1997 but Professor Lo is entitled to receive an annual directors' fee of HK\$50,000 for the financial year ended 31 March 2004 based on the Group's remuneration policies, which is subject to the approval of the Board, and is determined and reviewed by the Board each year. Professor Lo forfeited his annual directors' fee of HK\$50,000 since his appointment.

As at the Latest Practicable Date, Professor Lo does not have, and is not deemed to have, any interests or short positions in any shares, underlying shares or debentures of the Company and/or its associated corporations (with the meaning of Part XV of the Securities and Futures Ordinance).

### RECOMMENDATION

The Board believes that the proposed General Mandate and the Repurchase Mandates under ordinary resolution numbered 5, 6 and 7 and the adoption of New Bye-Laws under special resolution numbered 8 and the re-election of Directors are in the best interests of the Company and its shareholders and accordingly recommend you to vote in favour of the relevant resolutions to be proposed at the forthcoming Annual General Meeting.

### DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the memorandum of association of the Company and the Existing Bye-Laws and the New Bye-Laws will be available for inspection at the head office and principal place of business of the Company at 12th Floor, Zung Fu Industrial Building, 1067 King's Road, Quarry Bay, Hong Kong during normal business hours on any business day from the date hereof up to and including the date of the Annual General Meeting.

### GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this circular.

Yours faithfully,  
By order of the Board of  
**Cheung Shu Wan**  
*Managing Director*

*This Appendix contains the particulars that are required by the Listing Rules to be included in an explanatory statement to enable the Shareholders to make an informed view on whether to vote for or against the resolution to be proposed at the Annual General Meeting in relation to the Proposed Repurchase Mandate.*

**LISTING RULES FOR REPURCHASE OF SHARES**

The relevant sections of the Listing Rules which permit companies with primary listing on the Stock Exchange to repurchase their shares on the Stock Exchange subject to certain restrictions are summarized below:

**SOURCES OF FUNDS**

Repurchases must be funded out of fund legally available for the purpose and in accordance with the company's constitutive documents and the laws of the jurisdiction in which the company is incorporated or otherwise established.

**SHARE CAPITAL**

As at the Latest Practicable Date, the number of shares in issue of the Company is 335,432,520 Shares. Subject to the passing of the resolution granting the Proposed Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the Annual General Meeting, the Company will be allowed to repurchase a maximum of 33,543,252 Shares 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 in general meeting.

**REASONS FOR REPURCHASES**

The Directors believe that it is in the best interests of the Company and the Shareholders to seek a general authority from the Shareholders to enable the Company to repurchase its Shares on the Stock Exchange. Such repurchases may, depending on market conditions, and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and, or earnings per shares and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

The Directors have no present intention to repurchase any Shares and they would only exercise the power to repurchase in circumstances where they consider that the repurchase would be in the best interests of the Company. The Directors consider that if the general mandate to repurchase Shares were to be exercised in full at the currently prevailing market value, it would have a material adverse impact on the working capital position and gearing position of the Company, as compared with the positions disclosed in the audited consolidated accounts of the Company as at 31 March 2004, being the date to which the latest published audited accounts of the Company were made up. The Directors do not propose to exercise the mandate to repurchase Shares to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

## 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 last twelve months.

| Month   | Highest<br>trade price<br><i>HK\$</i> | Lowest<br>trade price<br><i>HK\$</i> |
|---|---------------------------------------|--------------------------------------|
| <b>2003</b>                                       |                                       |                                      |
| July  | 1.59                                  | 1.26                                 |
| August  | 1.56                                  | 1.33                                 |
| September   | 1.46                                  | 1.27                                 |
| October   | 1.39                                  | 1.26                                 |
| November  | 1.30                                  | 1.12                                 |
| December  | 1.78                                  | 1.18                                 |
| <b>2004</b>                                       |                                       |                                      |
| January   | 1.68                                  | 1.47                                 |
| February  | 1.59                                  | 1.50                                 |
| March   | 1.58                                  | 1.45                                 |
| April   | 1.53                                  | 1.41                                 |
| May   | 1.45                                  | 1.27                                 |
| June  | 1.50                                  | 1.29                                 |
| the period from 1 July to Latest Practicable Date | 1.46                                  | 1.35                                 |

## GENERAL

To the best of their knowledge, having made all reasonable enquiries, none of the Directors nor any of their associates currently intend to sell any Shares to the Company or its subsidiaries in the event that the Proposed Repurchase Mandate is approved.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Proposed Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Bermuda.

No connected person, as defined in the Listing Rules, has notified the Company that he has a present intention to sell any shares to the Company, or has undertaken not to do so, in the event that the Proposed Repurchase Mandate is approved.

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Hong Kong Code on Takeovers and Mergers (the "Code"). Accordingly, a shareholder, or group of Shareholders

acting in concert, depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Code.

As at the Latest Practicable Date, according to the register kept by the Company, and so far as is known to the Directors, the following Shareholder was directly or indirectly interested in 10% or more of the issued share capital of the Company carrying rights to vote in all circumstances at general meetings of the Company together with the number of Shares in which it was deemed to be interested:

| Name                                 | Number of<br>Shares | Percentage<br>of holding<br>as at the Latest<br>Practicable Date | Percentage of<br>holding if the<br>Proposed<br>Repurchase<br>Mandate is<br>exercised in full |
|--------------------------------------|---------------------|--|--|
| Allan Investment Company Limited     | 134,821,960         | 40.19%   | 44.66%   |
| Mr. Cheung Lun ( <i>Note 1</i> )     | 123,991,716         | 36.96%   | 41.07%   |
| Mr. Cheung Shu Wan ( <i>Note 2</i> ) | 44,439,335          | 13.25%   | 14.72%   |

*Notes:*

- (1) A total of 134,821,960 Shares are held by Allan Investment Company Limited ("AICL"), a company owned as to 89% by Mr. Cheung Lun and his spouse, Ms. Tse Kam. The balance of the shares (11%) in AICL is owned by Mr. Cheung Pui. In addition, a total of 172 shares are held through Commence Investment Ltd. The remaining 4,000,000 Shares are held by Mr. Cheung Lun personally.
- (2) 37,744,400 Shares are held by Mr. Cheung Shu Wan personally. The remaining 6,694,935 Shares are held by Topsail Investments Inc. which is wholly owned by Mr. Cheung Shu Wan.

In the event that the Directors shall exercise the Proposed Repurchase Mandate in full and assuming there is no change in the issued share capital of the Company as at the date of passing of relevant resolution granting the Proposed Repurchase Mandate, the interest of the above Shareholders would be increased to approximately the percentage shown in the last column above. Such increase will be treated as an acquisition for the purpose of Rule 32 of the Code and, as a result, Allan Investment Company Limited and Mr. Cheung Lun may become obliged to make a mandatory offer in accordance with Rule 26 of the Code. The Directors do not have the intention to repurchase Shares up to an amount which would result in Allan Investment Company Limited and Mr. Cheung Lun becomes obliged to make a mandatory offer in accordance with Rule 26 of the Code in this respect.

The Listing Rules prohibit a company from making repurchase on the Stock Exchange if the result of the repurchase would be that less than 25 per cent. (or such other prescribed minimum percentage as determined by the Stock Exchange) of the issued share capital would be in public hands. The Directors do not propose to repurchase Shares which would result in less than the prescribed minimum percentage of Shares in public hands.

The Company has not repurchased any Shares on the Stock Exchange in the six months preceding the date of this circular.

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**PROPOSED AMENDMENTS TO EXISTING BYE-LAWS**

As a result of recent amendments to the securities laws of Hong Kong and companies laws of Bermuda and as the Company has not amended the Existing Bye-Laws since 21 October 1992, amendments will need to be made to the Existing Bye-Laws in order to ensure compliance with all applicable laws. As such amendments are substantial, it is proposed that the New Bye-Laws which complies with all current applicable laws be adopted instead of amending the Existing Bye-Laws on a piecemeal basis which may lead to confusion and complication in the future.

The main amendments to the Existing Bye-Laws which will be included in the New Bye-Laws are as follows:–

1. As a result of amendments to Appendix 3 to the Listing Rules regarding corporate governance requirements to Main Board-listed companies' articles of association/bye-laws which came into effect on 31 March 2004:
  - (a) where the Company has knowledge that any member is, under the rules of The Stock Exchange of Hong Kong Limited (the "Designated Stock Exchange"), required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted (*New bye-law 76(2)*);
  - (b) to propose a person for appointment as a director at a meeting of the members of the Company, who is neither a director who is retiring at the meeting nor a person recommended by the directors for election, a notice signed by a member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a notice signed by the person to be proposed of his willingness to be elected must be lodged at the head office or at the office where the branch register of members is kept at any time and, if the notices are submitted after the despatch of the notice of the general meeting appointed for such election, must be submitted during the period commencing the day after despatch of the notice of the general meeting and ending at least seven (7) days before the general meeting and provided that such notice period must be at least seven (7) days (*New bye-law 88*);
  - (c) a director shall not vote (nor be counted in the quorum) on any resolution of the Board approving any contract or arrangement or any other proposal in which he or any of his associates is materially interested, but this prohibition shall not apply to any of the following matters namely:
    - (i) any contract or arrangement for the giving to such Director or his associate(s) any security or indemnity in respect of money lent by him or any of his associates or obligations incurred or undertaken by him or any of his associates at the request of or for the benefit of the Company or any of its subsidiaries;

- (ii) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (iii) any contract or arrangement concerning an offer of 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 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;
- (iv) 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 interest in shares or debentures or other securities of the Company;
- (v) any contract or arrangement concerning any other company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or a shareholder or in which the Director and any of his associate(s) are not in aggregate beneficially interested in five (5) per cent or more of the issued shares or of the voting rights of any class of shares of such company (or any third company through which his interest or that of any of his associates is derived); or
- (vi) any proposal or arrangement concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death or disability benefits scheme or other arrangement which relates both to directors, his associates and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director, or his associate(s), as such any privilege or advantage not accorded generally to the class of persons to which such scheme or fund relates.

A company shall be deemed to be a company in which a Director and/or his associate(s) owns five (5) per cent. or more if and so long as (but only if and so long as) he and/or his associates, (either directly or indirectly) are the holders of or beneficially interested in five (5) per cent. or more of any class of the equity share capital of such company or of the voting rights available to members of such company (or of any third company through which his interest or that of any of his associates is derived). For the purpose of this paragraph there shall be disregarded any shares held by a Director or his associate(s) as bare or custodian trustee and in which he or any of them has no beneficial interest, any shares comprised in a trust in which the interest of the Director or his associate(s) is/are in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust scheme in which the Director or his associate(s) is/are interested only as a unit holder.



Where a company in which a Director and/or his associate(s) holds five (5) per cent. or more is materially interested in a transaction, then that Director and/or his associate(s) shall also be deemed materially interested in such transaction.

If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the chairman of the meeting) or as to the entitlement of any Director (other than such chairman) to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director concerned as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the chairman of the meeting such question shall be decided by a resolution of the Board (for which purpose such chairman shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman as known to such chairman has not been fairly disclosed to the Board (*New Bye-law 103*).

2. As a result of the amendments to the Listing Rules which came into effect on 15 February, 2002 pursuant to which Main Board listed companies are (i) permitted to send or otherwise make available corporate communications to members by electronic means; (ii) allowed to send corporate communications to members either in the English language only, or the Chinese language only, or both the English and Chinese language in accordance with the wishes of their members and subject always to the Listing Rules and all applicable laws:–
  - (a) any notice or document (including any “corporate communication” as defined in the Listing Rules) in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or communication which may be served or delivered by the Company on or to any member either personally or by sending it through the post in a prepaid envelope addressed to such member at his registered address as appearing in the register of members of the Company or at any other address supplied by him to the Company for the purpose or, as the case may be, by transmitting it to any such address or transmitting it to any telex or facsimile transmission number or electronic number or address or website supplied by him to the Company for the giving of notice to him or which the person transmitting the notice reasonably and bona fide believes at the relevant time will result in the notice being duly received by the member or may also be served by advertisement in appointed newspapers (as defined in the Companies Act 1981) or in newspapers published daily and circulating generally in the territory of and in accordance with the requirements of the Designated Stock Exchange or, to the extent permitted by the applicable laws, by placing it on the Company’s website or the website of the Designated Stock Exchange, and giving to the member a notice stating that the notice or other document is available there (a “notice of availability”). The notice of availability may be given to the member by any of the means set out herein (*New bye-law 162*);

- (b) delivery by electronic communication shall be deemed to be given if sent by electronic communication, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent. A notice placed on the Company's website or the website of the Designated Stock Exchange, is deemed given by the Company to a member on the day following that on which a notice of availability is deemed served on the member (*New bye-law 163(b)*); and
- (c) notices or documents may be given to a member either in English or Chinese (*New bye-law 163(d)*).
3. As a result of the amendments to the Listing Rules which came into effect on 15 February, 2002 and the Companies Act 1981 of Bermuda which came into effect on 14 February, 2003 pursuant to which Main Board listed companies are permitted to send and distribute summary financial reports in place of the long form report:—
- (a) the Company may now send a summary financial statement derived from the Company's annual accounts and the directors' report which shall be in the form and containing the information required by applicable laws and regulations, provided that any person who is otherwise entitled to the annual financial statements of the Company and the directors' report thereon may, if he so requires by notice in writing served on the Company, demand that the Company sends to him, in addition to a summary financial statement, a complete printed copy of the Company's annual financial statement and the directors' report thereon (*New bye-law 154*); and
- (b) the requirement to send a printed copy of the Directors' report, accompanied by the balance sheet and profit and loss account, including every document required by law to be annexed thereto, made up to the end of the applicable financial year and containing a summary of the assets and liabilities of the Company under convenient heads and a statement of income and expenditure, together with a copy of the Auditors' report as required under the bye-laws (bye-law 153) or a summary financial report in accordance as detailed in sub-paragraph (i) above (bye-law 154) shall be deemed satisfied where, in accordance with all applicable laws, rules and regulations, including, without limitation, the rules of the Designated Stock Exchange, the Company publishes copies of the documents referred to in bye-law 153 and, if applicable, a summary financial report complying with bye-law 154, on the Company's computer network or in any other permitted manner (including by sending any form of electronic communication), and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company's obligation to send to him a copy of such documents (*New bye-laws 153 and 155*).

4. As a result of the amendments to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (“SFO”) which came into effect on 1 April 2003, the Securities and Futures (Clearing House) Ordinance (the “repealed Ordinance”) has been repealed with the coming into effect of the SFO. On commencement of the SFO, a recognized clearing house under the repealed Ordinance, Hong Kong Securities Clearing Company Limited, shall be deemed to have been recognized as a clearing house under the SFO:–
- (a) the definition of “clearing house” in the Bye-Laws is amended to the effect that “clearing house” shall mean a clearing house recognised by the laws of the jurisdiction in which the shares of the Company are listed or quoted on a stock exchange in such jurisdiction (*New bye-law 1*);
  - (b) where a member is a clearing house (or its nominee(s) and, in each case, being a corporation), it may authorise such persons as it thinks fit to act as its representatives at any meeting of the Company or at any meeting of any class of members provided that the authorisation shall specify the number and class of shares in respect of which each such representative is so authorised. Each person so authorised thereunder shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by the clearing house (or its nominee(s)) in respect of the number and class of shares specified in the relevant authorisation including the right to vote individually on a show of hands (*New bye-law 84(2)*); and
  - (c) where more than one proxy is appointed by a member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands (*New bye-law 66*).
5. Directors may, at any time before the expiration of their period of office, be removed by an ordinary resolution of the members (*New bye-law 86(4)*).
6. The Company may apply its share premium in such manner as may be permitted by the Companies Act 1981 of Bermuda without the need for the sanction of a special resolution (*New bye-law 6*).

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# NOTICE OF ANNUAL GENERAL MEETING

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## ALLAN INTERNATIONAL HOLDINGS LIMITED

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 684)

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of Allan International Holdings Limited (the “Company”) will be held at World Trade Centre Club Hong Kong, 38th Floor, World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong on 18 August 2004 at 3:45 p.m., for the purpose of considering and, if thought fit, the following ordinary business:

1. To receive and consider the audited financial statements and the reports of the directors and auditors for the year ended 31 March 2004;
2. To declare a final dividend of HK6 cents per share for the year ended 31 March 2004;
3. To re-elect directors and to authorize the board of directors to fix their remuneration;
4. To appoint auditors and to authorize the board of directors to fix their remuneration;

and, as special business, to consider and, if thought fit, pass, with or without modification, the following resolution as ordinary and/or special resolutions:

### ORDINARY RESOLUTIONS

5. **“THAT:–**
  - (a) subject to paragraph (c) below, the exercise by the directors of the Company (“**Directors**”) during the Relevant Period of all the powers of the Company to allot, issue and otherwise deal with additional shares of the Company (“**Shares**”) or securities convertible into Shares, or options, warrants or similar rights to subscribe for any Shares, and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;
  - (b) the approval in paragraph (a) of this Resolution shall be in addition to any other authorizations given to the Directors and shall authorize the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (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 pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to:–
- (i) a Rights Issue (as hereinafter defined);
  - (ii) the exercise of rights of subscription or conversion under terms of any warrants issued by the Company or any securities which are convertible into Shares;
  - (iii) the exercise of any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of Shares or right to acquire Shares;
  - (iv) any scrip dividend or similar arrangements providing for the allotment of shares in lieu of the whole or part of a dividend on Shares in accordance with the by-laws of the Company;

shall not exceed:

- (A) in the case of an allotment and issue of shares for cash, 5% of the aggregate nominal amount of the share capital in issue at the date of this resolution; and
- (B) in the case of an allotment and issue of shares other than for cash, 20% of the aggregate nominal amount of the share capital in issue at the date of this resolution (less shares (if any) issued pursuant to the general mandate granted pursuant to sub-paragraph (A) of the resolution).

provided that, in any event, any shares to be allotted and issued by the Directors pursuant to the approval granted under this resolution shall not be issued at a discount of 5% or more to the Benchmarked Price (as hereinafter defined) of the shares, and the said approval shall be limited accordingly;

- (d) subject to the passing of each of the paragraphs (a), (b) and (c) of this Resolution, any prior approvals of the kind referred to in paragraphs (a), (b) and (c) of this Resolution which had been granted to the Directors and which are still in effect be and are hereby revoked; and (e) for the purpose of this Resolution:

**“Benchmarked Price”** shall be a price which is the higher of:

- (i) the closing price of the shares of the Company as stated in the Stock Exchange’s daily quotations sheet on the date of signing of the agreement to which the transaction relates; or

## NOTICE OF ANNUAL GENERAL MEETING

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- (ii) the average closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheet for the five trading days immediately preceding the earlier of:
  - (A) the date of signing of the agreement to which the transaction relates; or
  - (B) the date on which the relevant transaction is announced; or
  - (C) the date on which the price of the shares of the Company to be issued pursuant to the transaction is fixed.

**“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 law or the bye-laws of the Company to be held; or
- (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders of the Company in general meeting;

**“Rights Issue”** means the allotment, issue or grant of Shares pursuant to an offer of Shares open for a period fixed by the Directors to holders of Shares 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 Hong Kong).”

### 6. **“THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors of Company (**“Directors”**) during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase the shares of the Company (**“Shares”**) on The Stock Exchange of Hong Kong Limited or on any other stock exchange on which the Shares may be listed and recognized for this purpose by the Securities and Futures Commission and The Stock Exchange of Hong Kong Limited under the Hong Kong Code on Share Repurchases, and subject to and in accordance with all applicable laws and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares which may be repurchased 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 in issue as at the date of passing of this Resolutions and the said approval shall be limited accordingly;

## NOTICE OF ANNUAL GENERAL MEETING

- (c) subject to the passing of each of the paragraphs (a) and (b) of this Resolution, any prior approvals of the kind referred to in paragraphs (a) and (b) of this Resolution which had been granted to the Directors and which are still in effect be and are hereby revoked; and
  - (d) for the purpose 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 law or the bye-laws of the Company to be held; or
    - (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders of the Company in general meeting.”
7. “**THAT** conditional upon the passing of the Resolutions 5 and 6 as set out in the notice of this meeting, the general mandate granted to the directors of the Company (“Directors”) to exercise the powers of the Company to allot, issue and otherwise deal with shares of the Company pursuant to Resolution 5 above be and is hereby extended by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted by the Directors pursuant to such general mandate an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to Resolution 6 above, provided that such amount shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this Resolution.”

### SPECIAL RESOLUTION

8. “**THAT** the new bye-laws of the Company (a copy of which has been produced at this meeting marked “A” and initialed by the Chairman of this meeting for the purpose of identification) be and the same is hereby approved and adopted as the new bye-laws of the Company in substitution for and in replacement of the existing bye-laws of the Company now in effect and that the directors to the Company be and they are hereby authorized to do all such acts, deeds and things as they shall, in their absolute discretion, deem fit to effect the foregoing.”

By order of the Board of  
**Cheung Shu Wan**  
*Managing Director*

Hong Kong, 6 July 2004

# NOTICE OF ANNUAL GENERAL MEETING

The Directors as at the date of this announcement are:

*Executive Directors:*

Mr. Cheung Lun (*Chairman*)

Mr. Cheung Shu Wan (*Managing Director*)

Ms. Cheung Lai Chun, Maggie

Ms. Cheung Lai See, Sophie

Mr. Cheung Pui

*Independent Non-Executive Directors:*

Mr. Lai Ah Ming, Leon

Professor Lo Chung Mau

*Head office and principal place  
of business in Hong Kong:*

12th Floor

Zung Fu Industrial Building

1067 King's Road

Quarry Bay

Hong Kong

*Registered office:*

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

*Notes:—*

1. A shareholder entitled to attend and vote at the above meeting may appoint one or more than one proxy to attend and to vote in his stead. A proxy need not be a shareholder of the Company.
2. Where there are joint registered holders of any Share, any one such persons may vote at the meeting, either personally or by proxy, in respect of such Share as if he were solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such Shares shall alone be entitled to vote in respect thereof.
3. In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof must be delivered to the office of the branch share registrar of the Company in Hong Kong, Standard Registrars Limited at G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.