
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about any aspect of this circular, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold all your shares of **CyberM International (Holdings) Limited**, you should at once hand this circular to the purchaser or to the bank or stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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.

This circular, for which the directors of CyberM International (Holdings) Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to CyberM International (Holdings) Limited. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this circular is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this circular misleading; and (iii) all opinions expressed in this circular has been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.



CyberM International (Holdings) Limited
美域數碼國際(控股)有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 8017)

- (1) RE-ELECTION OF DIRECTORS**
- (2) GENERAL MANDATE TO REPURCHASE SHARES AND ISSUE SHARES**
- (3) AMENDMENTS TO THE BYE-LAWS**
- (4) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting of the Company to be held at 2007-9, China Resource Building, 26 Harbour Road, Wanchai, Hong Kong on 9 August 2004 at 3:00 p.m. is set out on pages 53 to 60 of the Annual Report. Whether or not you are able to attend the meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar, Computershare Hong Kong Investor Services Limited at 1901-5, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less 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 at the meeting or any adjournment thereof should you so wish.

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

* For identification only

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LETTER FROM THE BOARD



CyberM International (Holdings) Limited

美域數碼國際(控股)有限公司*

(Incorporated in Bermuda with limited liability)

Executive Directors:

Mr. Lau Chiu Pui

Ms. Chan Pui Fong, Trish

Non-executive Director:

Mr. Chiu Raymond Yim

Independent Non-executive Directors:

Mr. Chan Wai Choi, Glenn

Dr. Kwan Ngan Hing, Edith

Principal Office:

2007-9

China Resources Building

26 Harbour Road, Wanchai

Hong Kong

Registered Office:

Canon's Court

22 Victoria Street

Hamilton HM 12, Bermuda

30 June 2004

To the shareholders of the Company

Dear Sir/Madam,

**RE-ELECTION OF DIRECTORS
AND
GENERAL MANDATE TO REPURCHASE SHARES AND ISSUE SHARES
AND
AMENDMENTS TO THE BYE-LAWS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information to:

- (a) re-elect directors who are due to retire at the annual general meeting to be held on 9 August 2004 (the "AGM");
- (b) grant general mandates to the directors of the Company (the "Directors") to repurchase and issue shares of the Company (the "Shares");
- (c) amend the Bye-Laws of the Company (the "Bye-Laws") to reflect the recent amendments to the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules"), and

* For identification only

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- (d) give you notice of the AGM at which ordinary and special resolutions will be proposed to consider and, if thought fit, to approve item (a) to (c) above.

RE-ELECTION OF DIRECTORS

In accordance with Bye-Law No. 99 of the Company's Bye-Laws, Mr. Chiu Raymond Yim and Dr. Kwan Ngan Hing, Edith will be retired from office by rotation and be eligible for re-election at the AGM. Biographical details in respect of Mr. Chiu Raymond Yim and Dr. Kwan Ngan Hing, Edith who are required to be disclosed by the GEM Listing Rules are set out in Appendix I to this circular.

GENERAL MANDATE TO REPURCHASE SHARES (“REPURCHASE MANDATE”)

At the AGM of the Company to be held on 9 August 2004, an ordinary resolution will be proposed to grant an unconditional general mandate to the Directors to exercise all the powers of and on behalf of the Company to repurchase its issued and fully paid shares up to a maximum of 10 per cent. of the share capital of the Company in issue as at the date of passing of the resolution. An explanatory statement, as required under the GEM Listing Rules, is set out in Appendix II to this circular to provide you with the requisite information reasonably necessary to enable you to make an informed decision on the proposed resolution.

GENERAL MANDATE TO ISSUE SHARES

The Directors will also propose at the AGM an ordinary resolution to grant to the Directors an unconditional general mandate to allot and issue Shares with an aggregate nominal value not exceeding 20 per cent. of the share capital of the Company in issue at the date of passing of the resolution and to extend such general mandate by the shares repurchased up to a maximum number of 10 per cent. of the share capital of the Company in issue at the date of passing of the resolution by the Company.

AMENDMENTS TO THE BYE-LAWS

Due to the enactment of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (“SFO”), the Company is required to amend its Bye-Laws to reflect the relevant changes in the SFO. In addition, The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) has recently amended, among other things, Appendix 3 of the GEM Listing Rules which came into effect on 31 March 2004. The Company as a listed issuer is required to amend its Bye-Laws to ensure compliance with the amended provisions of the GEM Listing Rules at the earliest opportunity and, in any event, no later than the conclusion of the AGM.

In view of the enactment of the SFO and in order to comply with the amended GEM Listing Rules, the Directors wish to seek the shareholders' approval at the AGM of the proposed amendments to the Bye-Laws. The proposed amendments to the Bye-Laws are summarised as follows:

- (a) In Bye-Law No. 1(A), to adopt the meaning of “associate” as defined in the GEM Listing Rules.

LETTER FROM THE BOARD

- (b) In Bye-Law No. 1(A), to amend the definition of “Clearing House” to reflect the change in the reference to the Securities and Futures Ordinance. The Securities and Futures (Clearing House) Ordinance was repealed upon the commencement of the Securities and Futures Ordinance on 1 April 2003.
- (c) In Bye-Law No. 80, to re-number existing Bye-Law No. 80(B) as Bye-Law No. 80(C) and to add a new Bye-Law No. 80(B) to reflect the restriction on voting by shareholders as required by the amended Appendix 3 of the GEM Listing Rules.
- (d) In Bye-Law No. 98, to replace existing Bye-Law No. 98(H) to comply with the provisions of the amended Appendix 3 of the GEM Listing Rules so that subject to certain exceptions, a Director shall not vote on any resolution of the Board approving any contract or arrangement or any other proposal in which he or any of his associates has a material interest nor shall he be counted in the quorum present at the meeting. Related amendments are also made to Bye-Laws No. 98(E), (F), (G), (I), (J) and (K).
- (e) In Bye-Law No. 99, to provide that all Directors shall be subject to retirement by rotation. The current exemption for the chairman and the managing director of the Company on such retirement by rotation requirement will be removed.
- (f) The existing Bye-Law No. 103 currently provides no person, other than a retiring director, shall, unless recommended by the Directors for election, be eligible for election to the office of Director at any general meeting, unless certain notice requirements are complied with. This Bye-Law No. 103, is to be replaced to comply with the amended Appendix 3 of the GEM Listing Rules which now provide that the period of lodgment of the required notices should commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such meeting.
- (g) In Bye-Laws No. 97(A)(vi) and 104, amended to allow shareholders of the Company to remove a director at any general meeting before the expiration of his period of office by an ordinary resolution.

The full text of the proposed amendments to the Bye-Laws are set out in the notice of AGM.

THE ANNUAL GENERAL MEETING

A notice of the AGM is set out on pages 9 to 17 of this circular. Resolution 2 relating to the re-election of directors and Resolutions 5A and 5B relating to the general mandates will be proposed as ordinary resolutions at the AGM for your consideration and approval. Resolution 6 relating to the amendments to the Bye-Laws of the Company will be proposed as special resolution at the AGM for your consideration and approval.

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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 the power of attorney or other authority, at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 1901-5, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM or any adjournment thereof should you so wish.

RIGHT TO DEMAND A POLL

At any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded by:

- (a) the chairman of the meeting; or
- (b) at least three shareholders present in person or duly authorised corporate representative or proxy for the time being entitled to vote at the meeting; or
- (c) any shareholder or shareholders present in person or duly authorised corporate representative or proxy and representing not less than one-tenth of the total voting rights of all the shareholders having the right to vote at the meeting; or
- (d) any shareholder or shareholders present in person or duly authorised corporate representative or proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

RECOMMENDATION

The Directors consider that the granting of the general mandates referred to in this circular and the proposal for amendments of the Bye-Laws are in the best interests of the Company and its shareholders as a whole and so recommend shareholders to vote in favour of the resolutions at the AGM.

Yours faithfully,
For and on behalf of the Board of
CyberM International (Holdings) Limited
Lau Chiu Pui
Chairman

The biography of the Directors who will retire from office by rotation at the AGM and being eligible, will offer themselves for re-election at the AGM, are set out as follows:

Chiu Raymond Yim

Non-executive Director, aged 53 and was appointed by the Company on 20 July 2000. Mr. Chiu holds a bachelor degree in Electronics Engineering Technology from the California Polytechnics State University and an MBA degree from the Pepperdine University. He is currently the vice president of Business Development Asia Pacific and Japan of Anywhere Solution Inc., a subsidiary of Sybase Inc. Mr. Chiu has over 29 years' experience in the technology industry. His experience ranges from product development, operational management, business development, sales and marketing to venture investments. Mr. Chiu does not have any interests or short positions in any shares, underlying shares or debentures of the Company and its associated corporations within the meaning of Part XV of the SFO. Other than the relationship arising from his being a non-executive Director, Mr. Chiu does not have any relationships with any other directors, senior management, management shareholders, chief executive, substantial shareholders of the Company or an associate of any of them. There is no service contract between the Company and Mr. Chiu and no fees or emoluments including bonus payments were/will be paid to Mr. Chiu as a Non-executive Director of the Company. The term of office of Mr. Chiu is the period up to his retirement by rotation in accordance with the Bye-Laws of the Company.

Kwan Ngan Hing, Edith

Independent Non-executive Director, aged 55 and was appointed by the Company on 20 July 2000. Dr. Kwan has over 32 years' experience in the IT industry and she previously held various directorship and senior management positions in the Hong Kong Jockey Club, NCR Limited, AT & T Asia Pacific Inc., the Hong Kong Polytechnic University and the Dow Chemical Pacific Limited. Dr. Kwan is currently committee members of the Hong Kong Computer Society, Project Management Institute – Hong Kong Chapter and the Hong Kong Society for Rehabilitation. She holds a DBA degree from the Hong Kong Polytechnic University and an MBA degree from the University of Warwick. Dr. Kwan does not have any interests or short positions in any shares, underlying shares or debentures of the Company and its associated corporations within the meaning of Part XV of the SFO. Other than the relationship arising from her being an independent non-executive Director, Dr. Kwan does not have any relationships with any other directors, chief executive, senior management, management shareholders, substantial shareholders of the Company or an associate of any of them. There is no service contract between the Company and Dr. Kwan and no fees or emoluments including bonus payments were/will be paid to Dr. Kwan as an Independent Non-executive Director of the Company. The term of office of Dr. Kwan is the period up to her retirement by rotation in accordance with the Bye-Laws of the Company.

This appendix serves as an explanatory statement under Rule 13.08 of the GEM Listing Rules relating to the proposed Repurchase Mandate to provide shareholders with all the information reasonably necessary for them to make an informed decision as to whether or not to vote in favour of Ordinary Resolution 5 approving the Repurchase Mandate.

1. SHARE CAPITAL

As at 21 June 2004, being the latest practicable date prior to the printing of this circular (the "Latest Practical Date"), the Company's issued share capital comprised 250,060,000 Shares of HK\$0.10 each. Subject to the passing of Resolution 5 approving the Repurchase Mandate as set out in the notice appearing on pages 7 to 15 of this circular 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 a maximum of 25,006,000 Shares until (i) the conclusion of the next annual general meeting; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Companies Act 1981 of Bermuda (as amended) to be held; or (iii) the revocation by ordinary resolution of shareholders in general meeting, whichever is the earliest.

2. REASONS FOR REPURCHASES

A repurchase of Shares 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 its earnings per share and will only be made when the Directors believe that such purchase will be to the benefit of the Company and its shareholders.

3. FUNDING OF REPURCHASES

In repurchasing the Shares, the Company may only be funded entirely from the Company's available cash flow or working capital facilities which will be funds legally available for such purpose in accordance with the Memorandum of Association and Bye-Laws and the laws of Bermuda.

It is envisaged that a repurchase of Shares pursuant to the Repurchase Mandate (including repurchase of maximum number of Shares under such mandate effected in full at any time during the period of the mandate) may have a material adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited accounts contained in the annual report for the year ended 31 March 2004 but the Directors do not intend to make repurchases pursuant to the Repurchase Mandate to such an extent.

4. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

None of the Directors or (to the best knowledge of the Directors, having made all reasonable enquiries) any of their associates have a present intention, in the event that the proposed Repurchase Mandate is approved by shareholders, to sell the Shares to the Company.

No connected persons of the Company have notified the Company of a present intention to sell the Shares to the Company and no such persons have undertaken not to do so in the event that the Company is authorised to make purchases of its shares.

5. DIRECTORS' 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 of its shares pursuant to the Repurchase Mandate in accordance with the GEM Listing Rules, Bye-Laws and the applicable laws of Bermuda.

6. TAKEOVERS CODE CONSEQUENCES

If as the result of a repurchase of the 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 ("Takeovers Code"). As a result, a shareholder, or group of shareholders acting in concert, depending on the level of increase of the shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory general offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Pro Nes Genesis Anstalt, Mr. Lau Chiu Pui ("Mr. Lau"), Mr. Yip Ho Pong ("Mr. Yip"), Mr. Lai Shu Pui Fergus ("Mr. Lai"), Mr. Wong Kit Mei ("Mr. Wong") and Mr. Fung Yiu Fai ("Mr. Fung") and their respective families are the shareholders of Sunrise International (Holdings) Limited ("Sunrise") which holds 191,250,000 Shares, being 76.48% of the total issued capital of the Company, through Noble Class Group Limited. All the beneficial interests of Pro Nes Genesis Anstalt are held by Mr. Lau.

The issued ordinary shares of Sunrise are held in the following proportions:

Shareholders	Class of ordinary shares	Proportion
Pro Nes Genesis Anstalt	A – Voting, non-participating	–
Mr. Lau	B – Non-voting, participating	86.68%
Mr. Yip	C – Non-voting, participating	3.33%
Mr. Lai	D – Non-voting, participating	3.33%
Mr. Wong	E – Non-voting, participating	3.33%
Mr. Fung	F – Non-voting, participating	3.33%

The Directors are not aware of any shareholder, or group of shareholders acting in concert, who will become obliged to make a mandatory general offer as a result of repurchases of shares.

7. SHARE REPURCHASES MADE BY THE COMPANY

During the six months preceding the date of this circular, no Shares have been repurchased by the Company.

8. SHARE PRICES

During each of the previous twelve months and up to the Latest Practicable Date, the highest and lowest closing prices at which Shares were traded on the Stock Exchange were as follows:

Month	PER SHARE	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
June 2003	0.150	0.150
July 2003	0.160	0.160
August 2003	0.129	0.129
September 2003	0.129	0.129
October 2003	0.140	0.122
November 2003	0.175	0.140
December 2003	0.410	0.175
January 2004	0.380	0.380
February 2004	0.300	0.300
March 2004	0.300	0.280
April 2004	0.280	0.270
May 2004	0.120	0.100
June 2004 (up to 21 June 2004)	0.107	0.105

**CyberM International (Holdings) Limited****美域數碼國際(控股)有限公司****(Incorporated in Bermuda with limited liability)*

NOTICE IS HEREBY GIVEN that the annual general meeting of CyberM International (Holdings) Limited (the “Company”) will be held at 2007-9, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong on 9 August 2004 Monday at 3:00 p.m. for the following purposes:

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

ORDINARY RESOLUTIONS**A. “THAT:**

- (a) subject to paragraph (c) below, the exercise by the directors of the Company during the Relevant Period (as defined hereinafter) of all 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 warrants) which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the directors during the Relevant Period to make and grant offers, agreements and options (including warrants) which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined hereinafter); (ii) the exercise of any option under any share option scheme or similar arrangement for the time being adopted for the grant or issue to officers,

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employees of the Company and/or any of its subsidiaries or other eligible participants of shares or rights to acquire shares in the Company; or (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of the cash payment for a dividend on shares of the Company in accordance with the Bye-Laws of the Company in force from time to time, shall not exceed the aggregate of:

- (i) 20 per cent. of the share capital of the Company in issue on the date of passing this Resolution; and
- (ii) (if the directors of the Company are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this Resolution (up to a maximum equivalent to 10 per cent. of the share capital of the Company in issue on the date of passing this Resolution);

and the authority pursuant to paragraph (a) of this Resolution shall be limited accordingly; and

- (d) for the purposes 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 the Bye-Laws of the Company, the Companies Act 1981 of Bermuda or any other applicable laws of Bermuda to be held; and
- (iii) the passing of an ordinary resolution by 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 of 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 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 extend of any restrictions obligations under the

laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

B. “THAT:

- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period of all powers of the Company to purchase its shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong (the “SFC”) and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the SFC, the Stock Exchange, the Companies Act 1981 of Bermuda and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company which may be purchased by the Company on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchange recognised for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange under the Hong Kong Code on Share Repurchase pursuant to the approval in paragraph (a) above shall not exceed 10 per cent. of the issued share capital of the Company as at the date of passing this Resolution and the authority pursuant to paragraph (a) above of this Resolution shall be limited accordingly; and
- (c) for the purpose of this Resolution, “Relevant Period” shall have the same meaning as assigned to it under Ordinary Resolution 5A(d) of this notice.”

C. “THAT:

subject to the passing of this ordinary resolutions 5A and 5B above, the directors of the Company be and they are hereby authorised to exercise the authority referred to in paragraph (a) of Resolution 5A above in respect of the share capital of the Company referred to in sub-paragraph (ii) of paragraph (c) of such Resolution.”

6. As special business, to consider and if thought fit, pass the following special resolutions:

SPECIAL RESOLUTIONS

A. “THAT the Bye-Laws of the Company be amended as follows:

- (a) by deleting the existing definitions of “associate” in Bye-Law No. 1(A) and substituting thereof the followings:

“associates” in relation to any Director, shall have the meaning ascribed to it under the Rules Governing the Listing of Securities on the Growth Enterprise

Market of The Stock Exchange of Hong Kong Limited from time to time in force.

- (b) by deleting the words “within the meaning of Section 2 of the Securities and Futures (Clearing Houses) Ordinance (Chapter 420 of the Laws of Hong Kong)” in the definition of “Clearing House” in Bye-Law No. 1(A), and substituting thereof the words “within the meaning of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)”.
- (c) by re-numbering the existing Bye-Law No. 80(B) as Bye-Law No. 80(C) and by inserting the following new Bye Law No. 80(B):
 - (B) Where any shareholder is, under the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited, 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.
- (d) by deleting Bye-Law No. 98(E) to (K) in its entirety and substituting thereof the followings:
 - (E) Where arrangements are under consideration concerning the appointment (including the arrangement or variation of the terms thereof, or the termination thereof) of two or more Directors to offices or places of profit with the Company or any other company in which the Company is interested, a separate resolution may be put in relation to each Director and in such case each of the Directors concerned shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment (or the arrangement or variation of the terms thereof, or the termination thereof) and except (in case of an office or place of profit with any such other company as aforesaid) where the other company is a company in which the Director and/or his associate(s) owns five (5) per cent. or more of the issued shares of any class of the equity share capital of such company or of the voting rights of any class of shares of such company.
 - (F) Subject to the Companies Act and to the next paragraph of this Bye-Law, no Director or proposed or intending Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatever, nor shall any such contract or any other contract or arrangement in which any Director or his associate(s) is/are in any way interested be liable to be avoided, nor shall any Director to contracting or being so interested or whose associate(s) so contracting or being so interested be liable to account to the Company or the

shareholders for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established provided that such Director shall disclose the nature of interest in any contract or arrangement in which he or his associate(s) is/are interested in accordance with Bye-Law No. 98(G) herein.

(G) A Director who, to his knowledge, is interested or has an associate who is interested, in any way, whether directly or indirectly, in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest or the interest of his associate at the meeting of the Board at which the question of entering into the contract or arrangement is first considered, if he knows his interest or the interest of his associate then exists, or in any other case at the first meeting of the Board after he knows that he or his associate is or has become so interested. For the purposes of this Bye-Law, a general notice of the Board by a Director to the effect that:

- (i) he or any of his associates is a shareholder or officer of a specified company or firm and is to be regarded as interested in any contract or arrangement which may after the date of the notice be made with that company or firm; or
- (ii) he or any of his associates is to be regarded as interested in any contract or arrangement which may after that date of the notice be made with a specified person which is connected with him;

shall be deemed to be a sufficient declaration of interest under this Bye-Law 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 Board or the Directors takes reasonable steps to secure that it is brought up and read at the next Board meeting after it is given.

(H) 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 associate is materially interested, but this prohibition shall not apply to any of the following matters namely:

- (i) the giving of any security or indemnity either:
 - (a) to the Director or his associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries; or

- (b) 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 responsibilities in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (ii) any proposal 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;
- (iii) any proposal 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 shareholders or in which the Director or his associate(s) is/are beneficially interested in shares of that company, provided that the 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 such company (or of any third company through which his interest or that of his associate(s) is derived) or of the voting rights;
- (iv) any proposal or arrangement concerning the benefits or employees of the Company or its subsidiaries including:
 - (a) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme involving the issue or grant of options over shares or other securities by the Company under which the Director or his associate(s) may benefit; or
 - (b) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to Directors, his associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or his associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and
- (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 interest in shares or debentures or other securities of the Company.

- (I) 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 of the issued shares of any class of the equity 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 so long as) he and/or his associate(s), (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 shareholder of such company (or of any third company through which his/their interest or that of any of his associate(s) is/are derived). For the purpose of this paragraph there shall be disregarded any shares held by a Director and/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 and/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 and/or his associate(s) is/are interested only as a unit holder and any shares which carry no voting right at general meetings an very restrictive dividend and return of capital right.
- (J) Where a company in which a Director and/or his associate(s) holds five (5) per cent. or more is/are materially interested in a transaction, then that Director and/or his associate(s) shall also be deemed materially interested in such transaction.
- (K) If any question shall arise at an meeting of the Board as to the materiality of the interest of a Director (other than the chairman of the meeting) and/or his associate(s) 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 of extent of the interest of the Director and/or his associate(s) 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.
- (e) by deleting the words “save any Director holding office as Chairman or Managing Director” in Bye-Law No. 99.

- (f) by deleting Bye-Law No. 103 in its entirety and substituting thereof the followings:

No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a notice in writing, signed by a shareholder (other than the person to be proposed) duly qualified to attend and vote at such general meeting, is given of his intention to propose such person for election as a Director and also a notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the Head Office or at the Registration Office provided that the minimum length of the period, during which such notices are given, shall be at least seven (7) days and that the period for lodgment of such notices shall commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.

- (g) by replacing, in Bye-Law No. 97(A)(vi), the words “Special Resolution” with the words “Ordinary Resolution” on the second line.
- (h) by replacing, in Bye-Law No. 104, the words “Special Resolution” with the words “Ordinary Resolution” on the first line.”

By Order of the Board of
CyberM International (Holdings) Limited
Lau Chiu Pui
Chairman

Hong Kong, 30 June 2004

Notes:

1. A member of the Company entitled to attend and vote at the annual general meeting convened by the above notice is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. A form of proxy for use at the annual general meeting is enclosed under the 2004 annual report of the Company to be dispatched to the shareholders. In order to be valid, the form of proxy together with a 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, must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, 1901-5, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the annual general meeting or any adjournment. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the above meeting or any adjournment thereof, should he so wish.
3. The register of members of the Company will be closed from Wednesday, 4 August 2004 to Monday, 9 August 2004, both days inclusive, during which no share transfers will be effected. In order to qualify for the attendance of the annual general meeting, all transfers of shares accompanied by the relevant share certificate(s) must be lodged with the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at 1901-5, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on Tuesday, 3 August 2004.

4. In relation to proposed Resolution 5 above, approval is being sought from the shareholders for the grant to the directors of a general mandate to authorise the allotment and issue of shares under the Rules Governing the Listing of Securities on the Growth Enterprise market of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”). The directors have no immediate plan to issue any new shares or to repurchase any existing shares of the Company pursuant to the said general mandate other than shares which may fall to be issued upon the exercise of any options granted under the Share Option Scheme of the Company or any scrip dividend scheme which may be approved by shareholders of the Company.
5. An explanatory statement giving the details of the grant of a mandate to repurchase shares of the Company as required by the GEM Listing Rules will be dispatched to shareholders together with the 2004 annual report.