

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

If you have sold or transferred all your shares in AKuP International Holding Limited, you should at once hand this circular to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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AKUP INTERNATIONAL HOLDING LIMITED

艾克國際控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

PROPOSAL FOR CHANGE OF AUDITORS

This circular, for which the directors of AKuP International Holding Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities (the “GEM Listing Rules”) on the Growth Enterprise Market of the Stock Exchange (“GEM”) for the purpose of giving information with regard to the Company. The directors of the Company, 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 have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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

* for identification purpose only

CHARACTERISTICS OF GEM

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the Internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements to gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website at <http://www.hkgem.com> in order to obtain up-to-date information on GEM-listed issuers.



AKUP INTERNATIONAL HOLDING LIMITED

艾克國際控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

Executive Directors:

HU Shin-Min, Alex

(President and Chief Executive Officer)

CHIANG Li-Chin, Grace

CHU Han-Ping

Independent non-executive Directors:

HSU Hsiang-Jen

LEE Mun Chee

Registered office:

P.O. Box 1320 GT

Suite D-2

Cayman Business Park

George Town

Grand Cayman

British West Indies

Head office and principal

place of business in Taiwan

5F, No. 6, Alley 36

Lane 26, Rueiguang Road

Neihu District

Taipei City

Taiwan

Principal place of business in

Hong Kong

Unit 906, 9th Floor

Asia Orient Tower

Town Place

33 Lockhart Road

Wanchai

Hong Kong

6 January 2004

To the shareholders of the Company

Dear Sir or Madam,

PROPOSAL FOR CHANGE OF AUDITORS

1. INTRODUCTION

The purpose of this circular is to provide you with all the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolution at the special general meeting (the “SGM”) for approval of the change of auditors.

* *for identification purpose only*

LETTER FROM THE BOARD OF DIRECTORS

2. CHANGE OF AUDITORS

The board of directors of the Company (the “Board”) made an announcement on 6 January 2004 that Messrs. Morison Heng (“Morison Heng”) have resigned as auditors of the Company and its subsidiaries on 2 January 2004. The resignation was due to the fact that the Company could not reach an agreement with Morison Heng on the audit fees for the financial year ended 31 December 2003. As confirmed by Morison Heng in their notice of resignation there were no circumstances connected with their resignation that they considered should be brought to the attention of the shareholders or creditors of the Company. Prior to its resignation, Morison Heng did not engage in any audit work in respect of the accounts of the Company and its subsidiaries for the year ended 31 December 2003.

The Board considers that Messrs. Chu and Chu (“C&C”) is suitably qualified to take over the audit appointment from Morison Heng and therefore, in accordance with article no. 156 of the articles of association of the Company (the “Articles of Association”) (article no. 156 requires that if the auditors resign, the Board shall as soon as practicable convene the SGM to fill the vacancy), proposes that an ordinary resolution to appoint C&C as auditors and to authorise the Board to fix the auditors’ remuneration be approved at the SGM.

3. NOTICE

Please refer to page 3 of this circular a notice convening the SGM to be held at 5F, No. 6 Alley 36, Lane 26, Rueiguang Road, Neihu District, Taipei City, Taiwan on 27 January 2004 at 10:00 a.m. for the purpose of considering and, if thought fit, passing the resolution to approve the change of auditors.

4. DOCUMENT AVAILABLE FOR INSPECTION

Copy of the Articles of Association will be available for inspection at the head office and principal place of business of the Company in Taiwan during normal business hours from the date of this circular up to and including the date of the SGM and at the venue of the SGM during the SGM.

5. RECOMMENDATION

The Board considers that the proposal as referred to in this circular are all in the best interest of the Company and the shareholders of the Company. Accordingly, the Board recommends you to vote in favour of the ordinary resolution to be proposed at the SGM.

Yours faithfully,
By Order of the Board
AKuP International Holding Limited
Hu Shin-Min, Alex
President and Chief Executive Officer



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艾克國際控股有限公司*

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NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting of AKuP International Holding Limited (“Company”) will be held at 5F, No. 6 Alley 36, Lane 26, Rueiguang Road, Neihu District, Taipei City, Taiwan on 27 January 2004 at 10:00 a.m. for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolution as ordinary resolution:

ORDINARY RESOLUTION

“**THAT** Messrs. Chu and Chu be and are hereby appointed as auditors of the Company to fill the vacancy created by the resignation of Messrs. Morison Heng, and to hold office until the conclusion of the next annual general meeting of the Company and to authorise the board of directors of the Company (the “Board”) to fix the auditors’ remuneration.”

By Order of the Board
AKuP International Holding Limited
HU Shin-Min Alex
President and Chief Executive Officer

Taipei, Taiwan, 6 January 2004

Notes:

- (1) Any member entitled to attend and vote at the special general meeting convened by the above notice is entitled to appoint a proxy to attend and vote in his stead. Any such member who is a holder of two or more shares may appoint more than one proxy to attend and vote in his stead. A proxy need not be a member of the Company but must be present in person to represent the member.
- (2) In order to be valid, the form of proxy together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of that power of attorney or other authority, must be deposited at the principal place of business of the Company at Unit 906, 9/F, Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the said meeting or any adjournment thereof.
- (3) The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.

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