

NOTICE IS HEREBY GIVEN that the Annual General Meeting of K.P.I. Company Limited (the “Company”) will be held at Basement Function Room II, Luk Kwok Hotel, 72 Gloucester Road, Wanchai, Hong Kong on Friday, 23 May 2003 at 10:00 a.m. for the following purposes:—

1. To receive and consider the Audited Consolidated Financial Statements and the Reports of the Directors and the Auditors for the year ended 31 December 2002.
2. To re-elect Directors and authorise the Directors to fix their remuneration.
3. To re-appoint auditors, Special Notice has been given pursuant to sections 116C and 132 of the Companies Ordinance of the intention to propose the following resolution as an Ordinary Resolution:

“**THAT** Charles Chan, Ip & Fung CPA Limited, the retiring auditors, who were appointed by the Board of Directors of the Company on 19 December 2002 to fill the casual vacancy created by the resignation of Ernst & Young be reappointed auditors of the Company and that the Board of Directors be authorised to fix their remuneration.”

4. To consider as Special Business and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

“**THAT:**—

- (A) subject to paragraph (B) of this Resolution, the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to repurchase shares of HK\$0.10 each in the capital of the Company be and is hereby generally and unconditionally approved;
- (B) the amount of the shares of the Company which the Company is authorised to repurchase pursuant to the approval in paragraph (A) of this Resolution shall not exceed 10 per cent of the shares in issue as at the date of the passing of this Resolution and the authority pursuant to paragraph (A) of this Resolution shall be limited accordingly; and
- (C) 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 the Companies Ordinance to be held; or

- (iii) the date on which the authority given under this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.”

5. To consider as Special Business, and if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

“THAT:—

- (A) subject to paragraph (C) of this Resolution and pursuant to Section 57B of the Companies Ordinance, the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (B) the approval in paragraph (A) of this Resolution shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options 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) of this Resolution, otherwise than pursuant to (i) a Rights Issue, (ii) any option scheme or similar arrangement for the time being adopted for the grant or issue to officers or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares in the capital of 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 dividend on shares of the Company in accordance with the Articles of Association of the Company, (iv) any offer, agreement or option made or granted prior to the date of passing this Resolution or (v) any existing specific authority, shall not exceed 20 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this Resolution and the said approval shall be limited accordingly; and
- (D) for the purpose of this Resolution:—

“Relevant Period” means the period from the 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 the Companies Ordinance to be held; or

- (iii) the date on which the authority given under this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company to the holders of shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares, subject to such exclusions 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, any recognised regulatory body or any stock exchange.”

6. To consider as Special Business, and if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

“**THAT** conditional upon resolutions nos. 4 and 5 set out in the notice convening this meeting being duly passed, the general mandate granted to the Directors of the Company to exercise the powers of the Company to allot and issue shares pursuant to resolution no. 5 set out in the notice convening this meeting be and is hereby extended by the addition to the aggregate nominal amount of the share capital which may be allotted or agreed conditionally or unconditionally to be allotted and issued by the Directors of the Company pursuant to such general mandate of 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 no. 4 set out in the notice convening this meeting, provided that such an amount shall not exceed 10 per cent of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this Resolution.”

By Order of the Board
Lo Yee Har, Susan
Company Secretary

Hong Kong, 23 April 2003

Notes:

- (i) The register of members of the Company will be closed from Tuesday, 20 May 2003 to Friday, 23 May 2003, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for attending the meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s Share Registrars, Tengis Limited of G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, not later than 4:00 p.m. on Monday, 19 May 2003.
- (ii) A member entitled to attend and vote at the meeting is entitled to appoint more than one proxy to attend and on a poll, vote instead of him. A proxy need not be a member of the Company.
- (iii) In order to be valid, a 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 the power of attorney or authority, must be lodged at the Company’s Share Registrars, Tengis Limited, 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 of the meeting (or the adjourned meeting as the case may be).
- (iv) An explanatory statement containing further details regarding resolutions nos. 4 to 6 will be sent to shareholders shortly together with the Annual Report for the year ended 31 December 2002.