

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of eForce Holdings Limited (the "Company") be held at Suite 3008, Man Yee Building, 68 Des Voeux Road Central, Central, Hong Kong on Wednesday, 30 June 2004 at 11:00 a.m. for the following purposes:

As Ordinary Business

1. To receive and adopt the Audited Financial Statements and the Reports of the Directors and the Auditors for the year ended 31 December 2003.
2. To re-elect Directors, authorise the Board to fix the Directors' remuneration, set a maximum number of Directors and authorise the Directors to appoint additional Directors up to such maximum.
3. To approve the appointment of Messrs. RSM Nelson Wheeler as the new Auditors and to authorise the Directors to fix their remuneration.

As Special Business

4. To consider and, if thought fit, pass with or without amendments the following Resolution as an ordinary resolution of the Company:

"THAT:

- (a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to purchase issued shares in the capital of the Company be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall be in addition to any other authorisation given to the directors of the Company and shall authorise the directors on behalf of the Company during the Relevant Period to procure the Company to purchase its shares at a price determined by the directors;
- (c) the aggregate nominal amount of the shares of the Company which are authorised to be purchased by the Directors of the Company on 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 Repurchases pursuant to the approval in paragraph (a) 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 this Resolution, and the said approval shall be limited accordingly; and
- (d) for the purposes 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;

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- (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 to be held; and
- (iii) the revocation or variation of the approval given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

5. To consider and, if thought fit, pass with or without amendments the following Resolution as an ordinary resolution of the Company:

“THAT:

- (a) subject to paragraph (c) below, 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 additional shares in the capital of the Company and to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall be in addition to any other authorisation given to the Directors of the Company and shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval granted in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue, or (ii) the exercise of rights of subscription or conversion under the terms of any securities or bonds which are convertible into shares of the Company, (iii) any option scheme or similar arrangement for the time being adopted for the grant or issue to Directors and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company or (iv) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Bye-laws of the Company, shall not exceed (aa) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution and (bb) if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company, the nominal amount of the share capital of the Company repurchased by the Company subsequent to the passing of this Resolution up to a maximum equivalent of 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this Resolution, and the said approval given under this Resolution in paragraph (a) above shall be limited accordingly; and
- (d) for the purposes 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;

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- (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 to be held; and
- (iii) the revocation or variation of the approval given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or any class thereof (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 any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange, in any territory outside Hong Kong).”

6. To consider and, if thought fit, pass with or without amendments the following Resolution as an ordinary resolution of the Company:

“**THAT** conditional upon the passing of the Resolutions nos. 4 and 5 set out in the notice convening the meeting of which these resolutions form part, the general mandate granted to the Directors of the Company pursuant to the Resolution no. 5 as set out in the notice convening the meeting of which this Resolution forms part be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of share capital of the Company purchased by the Company under the authority granted pursuant to the Resolution no. 4 as set out in the notice convening the meeting of which this Resolution forms part, provided that such 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 passing this Resolution.”

7. To consider and, if thought fit, pass the following Resolution as a special resolution of the Company:

“**THAT** the bye-laws of the Company (the “Bye-laws”) be and are hereby amended by:

- (a) adding the following new definitions in Bye-law 1:

““associate(s)” in relation to any Director, shall have the meaning as defined in the Listing Rules.

“Listing Rules” the rules governing the listing of securities made by The Stock Exchange of Hong Kong Limited (as amended from time to time).”;

- (b) deleting the existing definition of “Board” or “Directors” in Bye-law 1 and substituting therefor the following new definition of “Board” or “Directors”;

““Board” or “Directors” the board of directors of the Company or the directors present at a duly convened meeting of directors of the Company at which a quorum is present or a director of the Company.”;

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- (c) deleting the existing definition of “clearing house” in Bye-Law 1 and substituting therefor the following new definition of “clearing house”:

““clearing house” a recognised clearing house as referred to in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and any amendments thereto for the time being in force or a clearing house or authorised shares depository 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.”;

- (d) deleting the existing Bye-law 66 in its entirety and substituting therefor the following as new Bye-law 66(1):

“66.(1) Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Bye-laws, at any general meeting on a show of hands every Member present in person (or being a corporation, is present by a representative duly authorised under Section 78 of the Act), or by proxy shall have one vote and on a poll every Member present in person or by proxy or, in the case of a Member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share. Notwithstanding anything contained in these Bye-laws, where more than one proxy is appointed by a Member of the Company which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. A resolution put to the vote of a meeting shall be decided on a show of hands unless a poll is required by the Listing Rules or is demanded (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll):

- (a) by the chairman of such meeting; or
- (b) by at least three Members present in person (or in the case of a Member being a corporation by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (c) by a Member or Members present in person (or in the case of a Member being a corporation by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all Members having the right to vote at the meeting; or
- (d) by a Member or Members present in person (or in the case of a Member being a corporation by its duly authorised representative) or by proxy and holding shares in the Company conferring a right a 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 shares conferring that right.

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A demand by a person as proxy for a Member or in the case of a Member being a corporation by its duly authorised representative shall be deemed to be the same as a demand by a Member.”

- (e) adding the following as a new Bye-law 66(2) immediately after Bye-law 66(1):

“66.(2) Where any Member is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such Member in contravention of such requirement or restriction shall not be counted.”;

- (f) deleting the existing Bye-laws 67, 68 and 69 and substituting therefor the following Bye-laws 67, 68 and 69:

“67. Unless a poll is required by the Listing Rules or duly demanded and, in the later case, the demand is not withdrawn, a declaration by the chairman that a resolution has on a show of hands been carried, or carried unanimously, or by a particular majority, or not carried by a particular majority, or lost, and an entry to that effect made in the minute book of the Company, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against the resolution.

68. If a poll is required by the Listing Rules or duly demanded the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. There shall be no requirement for the chairman to disclose the voting figures on a poll.

69. A poll required by the Listing Rules or demanded on the election of a chairman, or on a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken in such manner (including the use of ballot or voting papers or tickets) and either forthwith or at such time (being not later than thirty (30) days after the date of the demand) and place as the chairman directs. It shall not be necessary (unless the chairman otherwise directs) for notice to be given of a poll not taken immediately.”;

- (g) deleting the existing Bye-law 88 and substituting therefor the following new Bye-law 88:

“88. No person other than a Director retiring at a meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless there shall have been lodged at the Office or at the head office 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. The period for lodgment of the notice required under this Bye-law shall commence no earlier than the day after the despatch of the notice of the meeting appointed for such election and end no later than seven (7) days prior to the date of such meeting, provided that such period shall be at least seven (7) days.”;

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(h) deleting the existing Bye-law 103(1) and substituting therefor the following new Bye-law 103(1):

"103.(1) 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 has a material interest, 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 responsibility 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 Member 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 5% 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 associates is derived) or of the voting rights;
- (iv) any proposal or arrangement concerning the benefit of 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 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

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- (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.

For the purpose of Bye-law 103(1), “subsidiary” or “subsidiaries” shall have the meaning ascribed to it under the Listing Rules.”

- (i) deleting the existing Bye-law 103(2) and substituting therefor the following new Bye-law 103(2):

“(2) 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) is/are the holders of or 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/their interest is derived) or of the voting rights available to members of such company. 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/have 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 an unit holder and any shares which carry no voting right at general meetings and very restrictive dividend and return of capital rights.”;

- (j) deleting the existing Bye-law 103(3) and substituting therefor the following new Bye-law 103(3):

“(3) 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 shall also be deemed materially interested in such transaction.”;

- (k) deleting the existing Bye-law 103(4) and substituting therefor the following new Bye-law 103(4):

“(4) 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 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 or his associate(s) shall be final and conclusive except in a case where the nature or extent of the interest of the Director 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 or his associate(s) 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 or his associate(s) as known to such Chairman has not been fairly disclosed to the Board.”;

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and **THAT** any director of the Company be and is hereby authorised to take such further action as he/she may, at his/her sole and absolute discretion, think fit for and on behalf of the Company to implement the aforesaid amendments to the existing Bye-laws of the Company.”

By order of the Board
Leung Chung Shan
Chairman and Executive Director

Hong Kong, 29 May 2004

Notes:

- (a) Any member entitled to attend and vote at this meeting is entitled to appoint another person as his proxy to attend and vote in his stead. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at this meeting. A proxy need not be a member of the Company.
- (b) 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 certified copy thereof, must be deposited at the office of the Company's branch share registrars, Tengis 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 this meeting or adjourned meeting (as the case may be).
- (c) The register of members of the Company will be closed from Friday, 25 June 2004 to Wednesday, 30 June 2004, both dates inclusive, during which period no transfer of shares will be registered. All transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrars, Tengis Limited at the address set out at (b) above no later than 4:30 p.m. on Thursday, 24 June 2004.
- (d) With respect to the Resolution set out in Resolution no. 4 of the notice, approval is being sought from members for a general mandate to be given to the Directors to repurchase shares of the Company.
- (e) With respect to the Resolutions set out in Resolution nos. 5 and 6 of the notice, approval is being sought from members for general mandates to be given to the Directors to allot, issue and deal with shares of the Company in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.
- (f) An explanatory statement containing the information with respect to the Resolution set out in Resolution no. 7 of the notice of the meeting has been sent to the members together with the 2003 Annual Report.
- (g) As at the date hereof, the executive directors of the Company are Messrs. Leung Chung Shan, Tam Lup Wai, Franky, and Chiu Wing Keung and the independent non-executive directors of the Company are Messrs. Chow Siu Ngor and Ting Leung Huel, Stephen.
- (h) The translation into Chinese language of this notice (including the Special Resolution which contains the proposed new Bye-laws) is for reference only. In case of any inconsistency, the English version shall prevail.