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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of this circular or as to the action to be taken, 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 Tradeeasy Holdings Limited (the "Company"), 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.

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### Tradeeasy Holdings Limited (易貿通集團有限公司)\*

*(Incorporated in the Cayman Islands with limited liability)*

#### REGARDING PROPOSED GENERAL SHARE REPURCHASE MANDATE

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A copy of the annual report of the Company incorporating copies of the audited consolidated financial statements of the Company for year ended 31 March 2003 and the directors' and auditors' reports thereon (the "2003 Annual Report") have been despatched to all shareholders together with this circular. The notice convening the forthcoming annual general meeting (the "Annual General Meeting") of the Company to be held at Crystal Room, Holiday Inn Golden Mile Hong Kong, 50 Nathan Road, Tsim Sha Tsui, Kowloon on Tuesday, 29 July 2003 at 9:00 a.m. is set out in the 2003 Annual Report.

A form of proxy for the Annual General Meeting is enclosed with the 2003 Annual Report. Whether or not you intend to be present at the Annual General Meeting, you are requested to complete the form of proxy and return it to the Company's Branch Share Registrar in Hong Kong, Tengis Limited at G/F, BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time fixed for the Annual General Meeting. The completion of a form of proxy will not preclude you from attending and voting at the Annual General Meeting in person.

This circular, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market on The Stock Exchange of Hong Kong Limited 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, (1) the information contained in this circular is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this circular misleading; and (3) 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 "Latest Company Announcement" page of the GEM website for at least 7 days from the date of its posting and on the website of the Company at [www.tradeeasy.com](http://www.tradeeasy.com).

\* For identification purpose only

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LETTER FROM THE BOARD OF DIRECTORS

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**Tradeeasy Holdings Limited**  
**(易貿通集團有限公司)\***

*(Incorporated in the Cayman Islands with limited liability)*

*Executive Directors:*

Yu Lup Fat, Joseph (*Chairman*)  
Yip Kwok Cheung (*Chief Executive Officer*)  
Wong Kai Yin, Paul  
To Man Yau, Alex

*Non-Executive Directors:*

Tam Ngai Hung

*Independent Non-Executive Directors:*

Lau Chi Yiu  
Wu Yao Hua, Terence

*Registered Office:*

Century Yard  
Cricket Square  
Hutchins Drive,  
P.O. Box 2681 GT  
George Town  
Grand Cayman  
British West Indies

*Head Office and Principal  
Place of Business:*

Units 1-6, 8th Floor  
Standard Chartered Tower  
388 Kwun Tong Road  
Kowloon  
Hong Kong

25 June 2003

*To shareholders of the Company*

Dear Sir or Madam,

**REGARDING PROPOSED GENERAL SHARE  
REPURCHASE MANDATE**

**INTRODUCTION**

The purpose of this circular is to provide you with the information with regard to the proposed resolution at the forthcoming annual general meeting (the "Annual General Meeting") of the Company to be held at Crystal Room, Holiday Inn Golden Mile Hong Kong, 50 Nathan Road, Tsim Sha Tsui, Kowloon on Tuesday, 29 July 2003 at 9:00 a.m. relating to the granting to the directors of the Company (the "Directors") a general mandate to repurchase shares of the Company.

\* For identification purpose only

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## LETTER FROM THE BOARD OF DIRECTORS

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### GENERAL MANDATE TO REPURCHASE SHARES

At the last Annual General Meeting of the Company held on 26 July 2002, an ordinary resolution was passed by the shareholders of the Company giving a general unconditional mandate to the Directors to repurchase shares of the Company up to a limit of 10 per cent. in aggregate of the Company's issued share capital at the date of passing the resolution.

Such general mandate will lapse at the conclusion of the forthcoming Annual General Meeting of the Company. It is therefore proposed to seek the approval of the ordinary resolution to be proposed at the forthcoming Annual General Meeting to give a fresh general mandate to the Directors.

At the forthcoming Annual General Meeting of the Company to be held on Tuesday, 29 July 2003, an ordinary resolution as set out as Resolution No. 4B in the notice convening the Annual General Meeting will be proposed to grant the Directors a general mandate to repurchase shares of the Company (the "Repurchase Mandate") on the Growth Enterprise Market ("GEM") of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") up to a limit of 10 per cent. in aggregate of the Company's issued share capital at the date of passing the Resolution No. 4B during the period ending on the earliest of the date of the next Annual General meeting, the date by which the next Annual General Meeting of the Company is required to be held by the Articles of Association or applicable laws of the Cayman Islands and the date upon which the Resolution No. 4B is revoked or varied by shareholders in general meeting. This will allow the Company to repurchase its own shares, inter alia, on-market in accordance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited (the "GEM Listing Rules").

### EXPLANATORY STATEMENT

An explanatory statement containing all relevant information relating to the Repurchase Mandate is set out on the Appendix to this circular. The information in the explanatory statement is to provide you with the information reasonably necessary to enable you to make an informed decision on whether to vote or against the Resolution No. 4B to grant to the Directors the Repurchase Mandate at the Annual General Meeting.

### GENERAL INFORMATION

The notice convening the Annual General Meeting of the Company is set out in the 2003 Annual Report.

A form of proxy for the Annual General Meeting is enclosed with the 2003 Annual Report. Whether or not you intend to be present at the Annual General Meeting, you are requested to complete the form of proxy and return it to the Company's Branch Share Registrar in Hong Kong, Tengis Limited at G/F, BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time fixed for the Annual General Meeting. The completion of a form of proxy will not preclude you from attending and voting at the Annual General Meeting in person.

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## LETTER FROM THE BOARD OF DIRECTORS

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### RECOMMENDATION

The Directors believe that the proposal to grant them the Repurchase Mandate is in the interests of the Company and its shareholders and accordingly recommend you to vote in favour of the Resolution No. 4B to be proposed at the Annual General Meeting.

Yours faithfully  
**YU LUP FAT, JOSEPH**  
*Chairman*

This is an explanatory statement given to all shareholders of the Company relating to the Resolution No. 4B to be proposed at the Annual General Meeting authorising the Repurchase Mandate.

The explanatory statement contains all the information required pursuant to Rule 13.08 of the GEM Listing Rules.

### **1. EXERCISE OF THE REPURCHASE MANDATE**

As at 23 June 2003, the latest practicable date prior to the printing of this explanatory statement, the issued capital of the Company comprised 400,000,000 ordinary shares of HK\$0.01 each.

If the Resolution No. 4B authorising the Directors to repurchase its own shares is passed at the forthcoming Annual General Meeting, and assuming that no new shares in the Company are issued prior to the date of passing the said resolution, based on the 400,000,000 shares in issue as at 23 June 2003, up to 40,000,000 shares, representing 10 per cent. of the existing issued share capital of the Company may be repurchased by the Company, during the period from the date of passing the Resolution No. 4B and ending on the earliest of the date of the next Annual General meeting, the date by which the next Annual General Meeting of the Company is required to be held by the Articles of Association or applicable laws of the Cayman Islands and the date upon which the Resolution No. 4B is revoked or varied by shareholders in general meeting.

### **2. REASONS FOR REPURCHASES**

The Directors believe that it is in the best interests of the Company and its shareholders for the Directors to have a general authority from its shareholders to enable the Company to repurchase shares in the market at any appropriate time. Such repurchase may, depending on market conditions and funding arrangements at that time, lead to 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 repurchases will benefit the Company and its shareholders.

### **3. FUNDING OF REPURCHASES**

Repurchases must be funded out of funds legally available for the purpose in accordance with the Memorandum and Articles of Association of the Company, the GEM Listing Rules and the laws of the Cayman Islands and Hong Kong. The Company may not repurchase its shares on the GEM for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

### **4. GENERAL**

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the financial statements contained in the annual report of the Company for the year ended 31 March 2003) in the event that the proposed repurchase of shares was to be carried out in full at any time during the proposed repurchase period. However, the Directors expect to exercise such mandate if and to such extent only as they are satisfied that the exercise thereof will not have such a material adverse impact.

## 5. SHARE PRICES

The highest and lowest prices at which the Company's shares have traded on the Stock Exchange during each of the previous twelve months prior to the printing of this explanatory statement were as follows:

Period	Traded Prices	
	Highest HK\$	Lowest HK\$
June 2002	0.380	0.237
July 2002	0.250	0.170
August 2002	0.187	0.083
September 2002	0.120	0.055
October 2002	0.055	0.018
November 2002	0.043	0.041
December 2002	0.045	0.039
January 2003	0.045	0.040
February 2003	0.040	0.040
March 2003	0.040	0.037
April 2003	0.038	0.032
May 2003	0.037	0.029

## 6. HONG KONG CODE ON TAKEOVERS AND MERGERS

If, as the result of the repurchase of the Company's 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 "Takeover Code"). As a result, a shareholder, or a group of shareholders acting in concert, could, depending on the level of increase of shareholding interest, obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeover Code. Save as aforesaid, the Directors are not aware of any consequences which would arise under the Takeover Code as a consequence of any repurchase pursuant to the Repurchase Mandate.

As at 23 June 2003, the latest practicable date prior to the printing of this explanatory statement, the substantial shareholders of the Company are:

Name of shareholder	No. of shares interested in	Approximate percentage of shareholding	If exercised in full the power to purchase
Manistar Enterprises Limited	93,364,070	23.34%	25.93%
CCT Telecom Holdings Limited	93,364,070	23.34%	25.93%
Ng Tung Ming	27,511,187	6.88%	7.64%
Yip Kwok Cheung	23,610,662	5.90%	6.56%
Wong Kai Yin, Paul	23,468,415	5.87%	6.52%

*Note:* Manistar Enterprises Limited is wholly owned by CCT Telecom Holdings Limited.

In the event that the Directors shall exercise in full the power to repurchase shares of the Company in accordance with the terms of the Resolution No. 4B to be proposed at the Annual General Meeting, the total interests of the above substantial shareholders would be increased to approximately the respective percentages shown in the last column above, which will not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeover Code. In fact, the Directors do not have the intention to exercise the power to repurchase shares of the Company to an extent which would make any of the substantial shareholders to be obliged to make a mandatory offer under Rule 26 of the Takeover Code in this respect.

#### **7. CONNECTED PERSONS**

No connected person (as defined in the GEM Listing Rules) has notified the Company that it has a present intention to sell any of the Company's shares to the Company, or has undertaken not to do so, if the Repurchase Mandate is exercised.

#### **8. DIRECTORS**

None of the Directors or, to the best of their knowledge, having made all reasonable enquiries, their associates have any present intention to sell any of the Company's shares to the Company or its subsidiaries if the Repurchase Mandate is exercised.

The Directors have undertaken to the Stock Exchange that they will exercise the Repurchase Mandate should it be granted in the forthcoming Annual General Meeting, in accordance with the GEM Listing Rules and the applicable laws of the Cayman Islands, the jurisdiction in which the Company is incorporated.

#### **9. REPURCHASED SHARES**

The Company has made no repurchases of its own shares (whether on the GEM or otherwise) in the six months preceding the date of this explanatory statement.