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## IMPORTANT

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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 in Excel Technology International Holdings Limited, you should at once hand this circular to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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The logo for Excel Technology, featuring the word "Excel" in a large, red, cursive font, with "TECHNOLOGY" in a smaller, black, sans-serif font below it.

TECHNOLOGY

**EXCEL TECHNOLOGY INTERNATIONAL HOLDINGS LIMITED**

**(志鴻科技國際控股有限公司)\***

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 8048)

**PROPOSED ELECTION OF  
DIRECTORS AT THE ANNUAL GENERAL MEETING  
AND  
PROPOSED GENERAL MANDATES TO ISSUE NEW SHARES AND  
REPURCHASE SHARES**

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The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) 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 (the “Directors”) of Excel Technology International Holdings Limited (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 of the Stock Exchange 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 herein 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 Announcements” page of the GEM website for at least seven days from the date of its posting and on the website of the Company at [www.excel.com.hk](http://www.excel.com.hk).

31 March 2008

\* *For identification purpose only*

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LETTER FROM THE CHAIRMAN

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**Excel**

TECHNOLOGY

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(志鴻科技國際控股有限公司)\*

(Incorporated in Bermuda with limited liability)

(Stock Code: 8048)

*Executive Directors:*

Zee Chan Mei Chu, Peggy  
(Chairman and Chief Executive Officer)  
Fung Din Chung, Rickie  
Leung Lucy, Michele  
Ng Wai King, Steve

*Non-executive Director:*

Ip Tak Chuen, Edmond

*Independent Non-executive Directors:*

Cheong Ying Chew, Henry  
Chang Ka Mun  
Wong Mee Chun

*Registered Office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Head Office and Principal Place  
of Business in Hong Kong:*

5th Floor  
663 King's Road  
North Point  
Hong Kong

31 March 2008

*To Shareholders of the Company*

Dear Sir or Madam,

**PROPOSED ELECTION OF  
DIRECTORS AT THE ANNUAL GENERAL MEETING  
AND  
PROPOSED GENERAL MANDATES TO ISSUE NEW SHARES AND  
REPURCHASE SHARES**

**INTRODUCTION**

At a meeting of the board of directors of the Company held on 25 March 2008, the Directors announced the audited combined results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2007. It was also announced on the same day that at the annual general meeting to be held on 21 April 2008 at 2:30 p.m. ("Annual General Meeting").

The purpose of this circular is to provide you with information regarding the resolutions to be proposed at the Annual General Meeting. These include (i) the ordinary resolutions proposing election of Directors who are due to retire at the Annual General Meeting; and (ii) the ordinary resolutions granting the Directors general mandates to issue shares of the Company ("Issue Mandate") and repurchase shares of the Company ("Repurchase Mandate").

\* For identification purpose only

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## LETTER FROM THE CHAIRMAN

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### **PROPOSED ELECTION OF DIRECTORS**

In accordance with Article No. 87 of the Bye-Laws of the Company, Ms. Leung Lucy, Michele and Mr. Ip Tak Chuen, Edmond will retire by rotation at the Annual General Meeting of the Company and, being eligible, have offered themselves for re-election.

Details of the Directors who are proposed to be re-elected at Annual General Meeting are set out in Appendix II to this circular.

### **PROPOSED GENERAL MANDATE TO ISSUE NEW SHARES**

A general mandate is proposed to be unconditionally given to the Directors to allot, issue and deal with new shares not exceeding 20% of the issued share capital of the Company at the date of the resolution until the next Annual General Meeting. The relevant resolution is set out as Ordinary Resolution No. 5 in the Notice of Annual General Meeting dated 25th March, 2008.

As at the Latest Practicable Date, the Company has issued an aggregate of 985,050,000 shares. Subject to the passing of the proposed resolution granting the Issue Mandate to the Directors and on the basis that no further shares are issued and/or repurchased by the Company prior to the AGM, the Company will be allowed to issue a maximum of 197,010,000 shares under the Issue Mandate.

### **PROPOSED GENERAL MANDATE TO REPURCHASE SHARES OF THE COMPANY**

At the last annual general meeting of the Company held on 23rd April, 2007, a general mandate was given to the Directors to exercise the power of the Company to repurchase shares of HK\$0.10 each. Such mandate will lapse at the conclusion of the forthcoming Annual General Meeting. It is therefore proposed to seek your approval of the Ordinary Resolution No. 6 as set out in the Notice of Annual General Meeting to give a fresh general mandate to the Directors to exercise the power of the Company to repurchase share(s).

The explanatory statement, required by the GEM Listing Rules to be sent to Shareholders of the Company (the "Shareholders") in connection with the proposed Repurchase Mandate is set out in the Appendix I to this circular. This provide requisite information to you for your consideration of the proposal to authorize the Directors to exercise the power of the Company to repurchase share(s) up to a maximum of 10% of the issued share capital of the Company at the date of Ordinary Resolution No. 6.

### **ANNUAL GENERAL MEETING**

A notice of the Annual General Meeting is set out in the 2007 Annual Report of the Company which is despatched to the Shareholders with this circular. At the Annual General Meeting, in addition to the ordinary business of the meeting, Resolutions Nos. 5 and 6 will be proposed to approve the general mandate for the issue repurchase of shares as special businesses.

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## LETTER FROM THE CHAIRMAN

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A copy of the 2007 annual report of the Company incorporating copies of the audited combined results of the Group for the year ended 31 December 2007 and the directors' and auditors' reports therein is despatched to all the shareholders together with this circular.

A form of proxy for the Annual General Meeting is also enclosed. 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 and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time fixed for the meeting. The completion of a form of proxy will not preclude you from attending and voting at the meeting in person.

### PROCEDURE FOR DEMANDING A POLL

Pursuant to Article 66 of the Bye-laws of the Company, a resolution put to the vote of a meeting shall be decided on a show of hands unless (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 poll is duly demanded by:-

- (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 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 shares conferring that right.

### RECOMMENDATION

The Board of Directors is of the opinion that the proposals referred to above are in the best interests of the Company and therefore recommend you to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

Yours faithfully,  
**Zee Chan Mei Chu, Peggy**  
*Chairman*

This is an explanatory statement given to all the Shareholders relating to a resolution to be proposed at the forthcoming Annual General Meeting authorising the Repurchase Mandate.

This explanatory statement contains all the information required pursuant to Rule 13.08 and other relevant provisions of the GEM Listing Rules which is set out as follows:

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

Exercise in full of the Repurchase Mandate, on the basis of 985,050,000 shares of HK\$0.10 each as at 26 March 2008, being the Latest Practicable Date, could result in up to 98,505,000 shares i.e. up to 10% of the shares of the Company in issue, being repurchased by the Company during the period from the passing of Resolution No. 6 as set out in the notice of the Annual General Meeting up to (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 or any applicable laws to be held; or (iii) the revocation, variation or renewal of the Repurchase Mandate by ordinary resolution of the Shareholders in general meeting, whichever occurs first.

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

Repurchases of shares will only be made when the Directors believe that such a repurchase will benefit the Company and its members. Such repurchases 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.

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

In repurchasing securities, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association and bye-laws of the company and the Companies Act 1981 of Bermuda (“the Companies Act”). The Company may not purchase securities on 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. Bermuda law provides that the amount of capital repaid in connection with a share repurchase may only be paid out of either the capital paid up on the relevant shares, or the profits that would otherwise be available for dividend or the proceeds of a fresh issue of shares made for the purpose. The amount of premium payable on repurchase may only be paid out of either the profits that would otherwise be available for dividend or out of the share premium or contributed surplus accounts of the Company.

#### **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 audited financial statements contained in the 2007 annual report of the Company) in the event that the proposed purchases in the Repurchase Mandate were to be exercised in full at any time during the proposed purchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Group or on its gearing levels which in the opinion of the Directors are from time to time appropriate for the Group.

**5. UNDERTAKING**

The Directors have undertaken to the Stock Exchange that, they will exercise the power of the Company to make purchases in Repurchase Mandate pursuant to the proposed resolutions in accordance with the GEM Listing Rules, the memorandum of association and bye-laws of the Company and the applicable laws of Bermuda.

As at the Latest Practicable Date prior to the printing of this circular and to the best of the knowledge of the Directors who have made all reasonable enquiries, none of the Directors or their associates has a present intention, in the event that the resolution is approved by the shareholders, to sell shares to the Company or has undertaken not to do so.

**6. TAKEOVER CODE**

If as a result of a repurchase of shares, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Hong Kong Code on Takeovers and Mergers (the "Code"). As a result, a shareholder, or a group of shareholders acting in concert, depending on the level of increase in the shareholder's interests, could obtain or consolidate control of the Company and become(s) obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Code.

If the Repurchase Mandate were exercised in full, the percentage shareholding of the substantial shareholders of the Company before and after such repurchase would be as follows.

Substantial Shareholders	Shares held	% before Repurchase	% after Repurchase
Ms. Zee Chan Mei Chu, Peggy	562,623,197	57.12%#	63.46%
Passion Investment (BVI) Limited	559,679,197	56.82%#	63.13%
Cheung Kong (Holdings) Limited	143,233,151	14.54%*	16.16%
Li Ka-Shing Unity Trustee Company Limited (as trustee of The Li Ka-Shing Unity Trust)	143,233,151	14.54%*	16.16%
Li Ka-Shing Unity Trustcorp Limited (as trustee of another discretionary Trust)	143,233,151	14.54%*	16.16%
Li Ka-Shing Unity Trustee Corporation Limited (as trustee of The Li Ka-Shing Unity Discretionary Trust)	143,233,151	14.54%*	16.16%
Mr. Li Ka-shing	143,233,151	14.54%*	16.16%
Alps Mountain Agent Limited	71,969,151	7.31%*	8.12%
iBusiness Corporation Limited	67,264,000	6.83%*	7.59%

# These shares have been disclosed in the 2007 annual report of the Company as director interest held by controlled corporation in the paragraph headed "Directors' and chief executive's interests and short positions in securities".

\* Mr. Li Ka-shing is the settlor of each of The Li Ka-Shing Unity Discretionary Trust ("DT1") and another discretionary trust ("DT2"). Each of Li Ka-Shing Unity Trustee Corporation Limited ("TDT1", which is the trustee of DT1) and Li Ka-Shing Unity Trustcorp Limited ("TDT2", which is the trustee of DT2) holds units in The Li Ka-Shing Unity Trust ("UT1") but is not entitled to any interest or share in any particular property comprising the trust assets of the said unit trust. The discretionary beneficiaries of each of DT1 and DT2 are, inter alia, Mr. Li Tzar Kuoi, Victor, his wife and children and Mr. Li Tzar Kai, Richard. Li Ka-Shing Unity Trustee Company Limited ("TUT1") as trustee of UT1 together with certain companies which TUT1 as trustee of UT1 is entitled to exercise or control the exercise of one-third or more of the voting power at their general meetings hold more than one-third of the issued share capital of Cheung Kong (Holdings) Limited ("CKH"). CKH is entitled to exercise or control the exercise of one-third or more of the voting power at the general meetings of Alps Mountain Agent Limited ("Alps") and iBusiness Corporation Limited ("iBusiness").

The entire issued share capital of each of TUT1, TDT1 and TDT2 are owned by Li Ka-Shing Unity Holdings Limited (“Unity Holdco”). Each of Mr. Li Ka-shing, Mr Li Tzar Kuoi, Victor and Mr. Li Tzar Kai, Richard is interested in one-third of the entire issued share capital of Unity Holdco. TUT1 is only interested in the shares of CKH by reason only of its obligation and power to hold interests in those shares in its ordinary course of business as trustee and, when performing its functions as trustee, exercises its power to hold interests in the shares of CKH independently without any reference to Unity Holdco or any of Mr. Li Ka-shing, Mr. Li Tzar Kuoi, Victor and Mr. Li Tzar Kai, Richard as a holder of the shares of Unity Holdco as aforesaid.

By virtue of the SFO, each of Mr. Li Ka-shing, being the settlor and may be regarded as a founder of each of DT1 and DT2 for the purpose of the SFO, TUT1, TDT1, TDT2 and CKH is deemed to be interested in the 143,233,151 shares of the Company of which 71,969,151 shares are held by Alps and 67,264,000 shares are held by iBusiness.

In the event that the Directors shall exercise in full the Repurchase Mandate, the total interests of the above Substantial Shareholders would be increased to approximately the percentage shown in the last column above and the Substantial Shareholders will not be obliged to make a mandatory offer under Rules 26 and 32 of the Code in this respect.

However, as the minimum amount of shares to be held by the public cannot be less than 15% of the issued share capital of the Company, the Directors will use their best endeavours to ensure that the Share Repurchase Mandate will not be exercised to the extent that the Company will infringe such minimum public float requirement.

#### **7. PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES**

During the previous six months preceding the Latest Practicable Date, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities.

#### **8. CONNECTED PERSON**

No connected person (as defined in the GEM Listing Rules) has notified the Company that he has a present intention to sell shares to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders and the Company authorised to make purchases of shares.



## 9. SHARE PRICES

The highest and lowest prices at which the shares were traded on GEM during each of the previous twelve months preceding the Latest Practicable Date were as follows:

	<b>Highest</b> <i>HK\$</i>	<b>Shares</b> <b>Lowest</b> <i>HK\$</i>
<b>2007</b>		
March	0.200	0.086
April	0.180	0.138
May	0.275	0.150
June	0.365	0.216
July	0.265	0.200
August	0.390	0.161
September	0.240	0.180
October	0.210	0.170
November	0.195	0.140
December	0.250	0.138
<b>2008</b>		
January	0.160	0.100
February	0.124	0.100
1 March – 26 March	0.118	0.098

## 10. PROXY

A form of proxy for use at the Annual General Meeting is also enclosed. Whether or not you intend to attend the meeting, you are requested to complete and return the form of proxy to the Company's branch share registrar and transfer office of the Company in Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting. Completion and return of the form of proxy will not preclude the Shareholders from attending and voting in person at the Annual General Meeting should the Shareholders so desire.

*The followings are the details of the directors of the Company proposed to be re-elected at the Annual General Meeting:-*

**(i) Ms. LEUNG Lucy, Michele (Age: 55)**

*Executive Director*

Ms. Leung was appointed as an Executive Director of the Group in 2000. Ms. Leung is in charge of the business development and operations in the Southeast Asia Region for the Group. She is also responsible for the development of wealth management related software products. Ms. Leung has over 25 years of experience in the development, conversion and migration of various computer systems in the credit card, retail banking, and insurance industries. Prior to joining the Excel Group in 1989, Ms. Leung worked for Mervyn's, United Grocers, Tymshare Transaction Services, Visa and the Bank of Montreal in the United States and Canada.

The Company had entered into a service contract with Ms. Leung for a term of three years commencing on 1 March 2000. The service contracts were renewed from 1 March 2004 to 31 December 2004 and from 1 January 2005 to 31 December 2007 on yearly basis. The service contract will continue thereafter until terminated by not less than six months' notice in writing by either party to the other. Ms. Leung is entitled to receive a directors' emolument of HK\$1,000,000 per annum, which is determined with reference to her duties, responsibilities and experience.

Ms. Leung has a personal interest of 24,559,498 shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance and no any relationship with any other director, senior management, management shareholder, substantial shareholder or controlling shareholder of the Company and their respective associates. Ms. Leung has not held any other directorships in any listed companies in the past three years.

Save as disclosed above, there are no other matters concerning Ms. Leung that need to be brought to the attention of the Shareholders. Nor is there any information regarding Ms. Leung required to be disclosed pursuant to Rules 17.50(2)(h) to (v) of the GEM Listing Rules.

**(ii) Mr. IP Tak Chuen, Edmond (Age: 55)**

*Non-Executive Director*

Mr. Ip was appointed as a Non-Executive Director of the Group on 21 February 2000. Mr. Ip has been an Executive Director of Cheung Kong (Holdings) Limited since 1993 and Deputy Managing Director since 2005. Mr. Ip is also an Executive Director and Deputy Chairman of Cheung Kong Infrastructure Holdings Limited, the Senior Vice President and Chief Investment Officer of CK Life Sciences Int'l., (Holdings) Inc., a Non-Executive Director of TOM Group Limited and ARA Asset Management Limited, and a Director of ARA Asset Management (Singapore) Limited and ARA Trust Management (Suntec) Limited. He holds a Bachelor of Arts degree in Economics and a Master of Science degree in Business Administration.

There is no service contract entered into between the Company and Mr. Ip. Mr. Ip is subject to retirement by rotation and re-election in accordance with the provision of the Articles of Association. No salary was paid to Mr. Ip for the year ended 31 December 2007.

Mr. Ip is an Executive Director of Cheung Kong (Holdings) Limited, which is a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Save as disclosed above, Mr. Ip does not have any interest in the Shares or underlying Shares, and no any relationship with any other director, senior management, management shareholder, substantial shareholder or controlling shareholder of the Company and their respective associates.

Save as disclosed above, there are no other matters concerning Mr. Ip that need to be brought to the attention of the Shareholders. Nor is there any information regarding Mr. Ip required to be disclosed pursuant to Rules 17.50(2)(h) to (v) of the GEM Listing Rules.