

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the annual general meeting of Shougang Concord Grand (Group) Limited ("the Company") will be held at Concord Rooms II and III, 8/F., Renaissance Harbour View Hotel, 1 Harbour Road, Wanchai, Hong Kong on Friday, 15 June 2001 at 10:20 a.m. for the following purposes:

1. To receive and consider the Audited Financial Statements and the Report of the Directors for the year ended 31 December 2000.
2. To re-elect Directors and to authorise the Board of Directors to fix their remuneration.
3. To appoint Auditors and to authorise the Board of Directors to fix their remuneration.

### **SPECIAL BUSINESS**

4. To consider and, if thought fit, pass the following resolutions as ordinary' resolutions:

A. **"THAT:**

(a) subject to paragraph (b) of this resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all powers of the Company to allot, issue and deal with additional shares in the capital of the Company or securities convertible into such shares or options, agreements or other rights to subscribe for such shares and to make or grant offers, agreements and options which might require the exercise of such powers either during or after the Relevant Period, be and is hereby generally and unconditionally approved;

(b) 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 a Rights Issue or the exercise of the subscription rights attaching to the warrants or the share option scheme of the Company or pursuant to any scrip dividend scheme or

similar arrangements implemented in accordance with the Bye-laws of the Company, shall not exceed 20% 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

(c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest 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 Bye-laws of the Company or any applicable law to be held; and
- (iii) the date on which the authority sets out in this resolution is revoked or varied by an ordinary resolution in general meeting.

“Rights Issue” means an offer of shares in the capital of the Company open for a period fixed by the directors of the Company to holders of shares in the capital of the Company on the register 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 in any territory outside Hong Kong).”

B. **“THAT:**

- (a) subject to paragraph (b) of this resolution, the exercise by the directors during the Relevant Period of all powers of the Company to purchase its own issued shares, subject to and in accordance with all applicable laws and the Bye-laws of the Company and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, be and is hereby generally and unconditionally approved;

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(b) the aggregate nominal amount of shares to be purchased by the Company pursuant to the approval in paragraph (a) of this resolution shall not exceed 10% 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

(c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest 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 Bye-laws of the Company or any applicable law to be held; and

(iii) the date on which the authority sets out in this resolution is revoked or varied by an ordinary resolution in general meeting.”

C. “**THAT**, subject to the passing of the Ordinary Resolution No. 4B, the aggregate nominal amount of shares in the capital of the Company which are repurchased by the Company under the authority granted to the directors mentioned in Ordinary Resolution No. 4B shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to Ordinary Resolution No. 4A.”

5. As special business, to consider and, if thought fit, pass the following resolution as a Special Resolution:

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

A. *Bye-law 1*

by inserting new definition for “Clearing House” as follows:

“**Clearing House**” shall mean a recognised clearing house within the meaning of Section 2 of the Securities and Futures (Clearing House) Ordinance of Hong Kong or a clearing house 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.”

B. *Bye-law 87A*

by inserting after Bye-law 87 a new Bye-law 87A as follows:

**“87A** Notwithstanding any contrary provisions contained in these Bye-Laws if a Clearing House (or its nominee(s) and, in each case being a corporation), is a member of the Company, it may authorise such person or persons as it thinks fit to act as its proxy or proxies or corporate representative or representatives at any meeting of the Company or at any meeting of any class of members of the Company provided that, if more than one proxy or corporate representative is so authorised, the authorisation shall specify the number and class of shares in respect of which each such proxy or corporate representative is so authorised. Each person so authorised under the provisions of this Bye-law shall be entitled to exercise the same rights and powers on behalf of the Clearing House (or its nominee(s)) which he represents as that Clearing House (or its nominee(s)) could exercise as if it were an individual member in respect of the number and class of shares specified in the relevant authorisation including the right to vote individually on a show of hands.”

By Order of the Board

**Chan Yuet Kwai**

*Company Secretary*

Hong Kong, 19 April 2001

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*Notes:*

- (1) A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint a proxy to attend and, in the event of a poll, vote in his stead. A proxy need not be a member of the Company.
- (2) A form of proxy for the meeting is enclosed. In order to be valid, the form of proxy must be deposited at the Company's branch share registrars in Hong Kong, Tengis Limited, at 4/F., Hutchison House, 10 Harcourt Road, Hong Kong together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney, not less than 48 hours before the time for holding the meeting or adjourned meeting.
- (3) With respect to item 4A(a) above, the directors wish to state that they have at present no immediate plans to allot and issue additional shares in the Company. Approval is being sought from members as a general mandate, in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"), in order to ensure flexibility to the directors in the event that it becomes desirable to issue any shares of the Company up to the limit stated in item 4A(b).
- (4) With respect to items 4B and 4C above, approval is being sought from members for a general mandate to repurchase securities and to allot additional shares of the Company which have been repurchased by the Company pursuant to the exercise of the repurchase mandate. In accordance with the Listing Rules and the Hong Kong Code on Share Repurchases, an explanatory statement setting out the terms and conditions upon which the power to repurchase securities may be exercised will be sent to the members together with the 2000 Annual Report.