

# Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the 2003 Annual General Meeting of the Company will be held at The Ritz-Carlton Hong Kong, Chater Room III, Function Room Level (B1), 3 Connanght Road Central, Hong Kong on Monday, 15 September 2003 at 9:30 a.m. for the following purposes:

1. To receive and consider the audited Financial Statements and the Report of the Directors and of the Auditors for the year ended 31 March 2003;
2. To re-elect the retiring Directors and to authorise the Board of Directors to fix the Directors' remuneration and to set a maximum number of Directors;
3. To appoint Messrs Ernst & Young as Auditors and to authorise the Board of Directors to fix their remuneration;
4. To consider and, if thought fit, pass by way of special business, with or without amendments, the following resolution as an Ordinary Resolution:

**"THAT**

- (a) the exercise by the Directors during the Relevant Period of all the powers of the Company to purchase its shares, subject to and in accordance with the applicable laws, be and is hereby generally and unconditionally approved;
  - (b) the total nominal amount of the shares of the Company to be purchased pursuant to the approval in paragraph (a) during the Relevant Period above shall not exceed 10% of the total nominal amount of the share capital of the Company in issue as at the date of this Resolution, and the said approval 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 revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting; and
    - (iii) 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."
5. To consider and, if thought fit, pass by way of special business, with or without amendments, the following resolution as an Ordinary Resolution:

**"THAT**

- (a) subject to paragraph (c) of this Resolution, the exercise by the Directors during the Relevant Period of all powers of the Company to allot shares and to make and grant offers, agreements, securities convertible into shares, warrants and options which would or might require shares to be allotted be and is hereby generally and unconditionally approved;

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- (b) the approval in paragraph (a) shall authorise the Directors during the Relevant Period to make and grant offers, agreements, securities convertible into shares, warrants and options which would or might require shares to be allotted after the end of the Relevant Period;
  - (c) the total nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a), otherwise than pursuant to shares issued as a result of a Rights Issue where shares are offered to holders of shares 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 may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory) or any agreements and arrangements entered into by the Directors of the Company pursuant to the general mandate previously granted to the Directors which would or might require shares to be allotted during the Relevant Period or the share option scheme of the Company, shall not exceed 20% of the total nominal amount of the share capital of the Company in issue as at the date of this Resolution and the said approval shall be limited accordingly;
  - (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 revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting; and
    - (iii) 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
6. To consider and, if thought fit, pass by way of special business, with or without amendments, the following resolution as an Ordinary Resolution:
- "THAT** the general mandate granted to the Directors of the Company pursuant to Resolution 5 above and for the time being in force to exercise the powers of the Company to issue and allot additional shares and to make or grant offers, agreements, securities convertible into shares, warrants and options which might require the exercise of such powers be and is hereby extended by the total nominal amount of shares in the capital of the Company repurchased by the Company since the granting of such general mandate referred to in the above Resolution 4 pursuant to the exercise by the Directors of the Company of the powers of the Company to purchase such shares, provided that such amount shall not exceed 10% of the total nominal amount of the share capital of the Company in issue on the date of this Resolution."; and

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7. To consider and, if thought fit, pass by way of special business, with or without amendments, the following resolution as a Special Resolution:

**“THAT**

- (a) the share premium account of the Company be reduced by the amount of HK\$103,948,000 and that the directors of the Company be and are hereby authorised to apply such reduced amount towards the elimination of the accumulated losses of the Company in the amount of HK\$98,953,000 and to credit the remaining balance of HK\$4,995,000 to the distributable reserve account of the Company; and
- (b) the directors of the Company be and are hereby authorised generally to do all acts and things which they may consider appropriate, necessary or desirable to give effect to or implement the foregoing.”

By Order of the Board

**Chau Kwok Wai**

*Company Secretary*

Hong Kong, 31 July 2003

*Notes:*

1. The Register of Members of the Company will be closed from Tuesday, 9 September 2003 to Monday, 15 September 2003 (both days inclusive) during which period no transfer of shares will be registered. In order to attend the Annual General Meeting, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's Share Registrar in Hong Kong, Tengis Limited, G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 8 September 2003.
2. A Member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote on his behalf. A proxy need not be a Member of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy so appointed.
3. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, must be lodged with the Company's Share Registrar in Hong Kong, 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 the Meeting.
4. An explanatory statement containing further details regarding Resolutions Nos. 4 to 7 above will be despatched to shareholders together with the 2003 Annual Report.
5. The proposed maximum number of directors under Resolution No. 2 is 10, which is to reconfirm the existing maximum number. Pursuant to Bye-laws 86(2) of the Company Bye-laws, the Directors have the power to appoint any qualified persons as a director up to the maximum number determined from time to time by the members in general meeting.