

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at the Ballroom of JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Tuesday, 8 June 2004 at 9:30 a.m. for the following purposes:

1. To receive and consider the Audited Consolidated Financial Statements and the Reports of the Directors and Auditors for the year ended 31 December 2003.
2. To declare a final dividend for the year ended 31 December 2003.
3. To re-elect the retiring Directors and to authorise the Board to fix the remuneration of Directors.
4. To re-appoint Auditors and to authorise the Board to fix their remuneration.
5. As special business, to consider and, if thought fit, to pass with or without modifications the following resolutions as ordinary resolutions:

138

A. "THAT:

- (a) subject to paragraph (c) of this Resolution and pursuant to section 57B of the Companies Ordinance, 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 or securities convertible into such shares or options, warrants or similar rights to subscribe for any shares in the Company and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this Resolution shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such power after the end of the Relevant Period;
- (c) 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 (i) a Rights Issue; (ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities 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 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 Articles of Association of the Company, shall not exceed 20 per cent. 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 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 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 Articles of Association of the Company or any applicable law to be held; and
- (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders in general meeting.

“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 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 of the Company during the Relevant Period of all the powers of the Company to repurchase its own shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

(b) the aggregate nominal amount of shares of the Company which may be repurchased by the Company pursuant to the approval in paragraph (a) of this Resolution during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this Resolution and the said approval shall be limited accordingly; 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 Articles of Association of the Company or any applicable law to be held; and

(iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders of the Company in general meeting.”

C. “THAT conditional upon Resolutions numbered 5A and 5B set out in the notice convening this meeting being passed, the aggregate nominal amount of the number of shares in the capital of the Company which are repurchased by the Company under the authority granted to the Directors of the Company as mentioned in Resolution numbered 5B set out in the notice convening this meeting 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 Resolution numbered 5A set out in the notice convening this meeting, provided that the amount of share capital repurchased by the Company shall not exceed 10 per cent. of the total nominal amount of the share capital of the Company in issue on the date of the passing of this Resolution.”

6. As special business, to consider and, if thought fit, to pass with or without modifications the following resolution as a special resolution:

SPECIAL RESOLUTION

“THAT:

- (a) the following definition be inserted immediately before the definition of “these Articles” in Article 1(1) of the Company’s Articles of Association:

““Associates” has the same meaning ascribed to it under the Listing Rules;”

- (b) the following definition be inserted immediately before the definition of “Office” in Article 1(1) of the Company’s Articles of Association:

““Listing Rules” the Rules Governing the Listing of Securities on the Stock Exchange;”

- (c) Article 65 of the Company’s Articles of Association be deleted and replaced with the following:

“65 Subject to any rights or restrictions attached to any shares and subject to Article 68A, at any general meeting on a show of hands every member who (being an individual) is present in person or by proxy or (being a corporation) is present by proxy or by a duly authorised representative who is not himself a member entitled to vote, shall have one vote, and on a poll every member present in person or by proxy or by a duly authorised representative shall have one vote for every share of which he is the holder which is fully paid-up (but so that no amount paid up or credited as paid up on a share in advance of calls or instalments shall be treated for the purposes of this Article as paid up on the share).”;

- (d) the following article be inserted immediately after Article 68 of the Company’s Articles of Association:

“68A Where a member is, under the Listing Rules, required to abstain from voting on any resolution or restricted to voting only for or only against any resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.”;

- (e) Article 94(b) of the Company's Articles of Association be deleted and replaced with the following:

"94(b) after the despatch of the notice of the general meeting and at least seven days before the date appointed for holding the meeting, notice executed by a member qualified to vote on the appointment or reappointment has been given to the Company of the intention to propose that person for appointment or reappointment, stating the particulars which would, if he were appointed or reappointed, be required to be included in the Company's register of Directors, together with notice executed by that person of his willingness to be appointed or reappointed.";

- (f) Article 111(1) of the Company's Articles of Association be deleted and replaced by the following:

"111(1) Save as otherwise provided by these Articles, a Director shall not vote (nor be counted in the quorum) at a meeting of the Directors on any resolution concerning a matter in which he or any of his Associates has, directly or indirectly, a material interest (other than an interest in shares, debentures or other securities of, or otherwise in, the Company), unless his or his Associates' interest arises only because the case falls within one or more of the following sub-paragraphs:-

- (a) the giving of any security or indemnity either:-
 - (i) 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
 - (ii) 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;
- (b) 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;

- (c) 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 shareholder 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;
- (d) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:-
 - (i) 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
 - (ii) 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
- (e) 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."

By Order of the Board

Dr. Fu Yuning

Chairman

Hong Kong, 29 March 2004

Registered Office:

38th Floor East, China Merchants Tower,

Shun Tak Centre,

168-200 Connaught Road Central,

Hong Kong.

Notes:

1. A member entitled to attend and vote at the meeting convened pursuant to the above notice is entitled to appoint one or more proxies to attend and vote in his place. A proxy need not be a member of the Company.
2. In order to be valid, 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 that power of attorney or authority, must be deposited at the Company's registered office at 38th Floor East, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting.
3. The register of members of the Company will be closed from 2 June 2004 to 8 June 2004, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the final dividend to be approved at the meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's Share Registrar, Computershare Hong Kong Investor Services Limited at 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:00 p.m. on 1 June 2004.
4. Concerning resolutions numbered 5A and 5C above, the Board wishes to state that it has no immediate plans to issue any new shares in the Company. The ordinary resolution is being sought from members as a general mandate in compliance with section 57B of the Companies Ordinance and the Rules Governing the Listing of Securities on the Stock Exchange.
5. Concerning resolution numbered 5B above, the Board wishes to state that it has no immediate plans to repurchase any existing shares pursuant to the relevant mandate. Approval is being sought from members as a general mandate to be given to the Directors to repurchase shares. The Explanatory Statement required by the Rules Governing the Listing of Securities on the Stock Exchange in connection with the proposed repurchase mandate will be despatched to members together with the notice of the meeting.
6. The amendment to the Company's Articles of Association is for the purpose of complying with the new requirements under the revised Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, which will come into effect on 31 March 2004.