

## ▶▶ Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of the Company will be held at 38/F., Function Room, Tianjin Building, 167 Connaught Road West, Hong Kong on Friday, 28th May 2004 at 3:00 p.m. for the following purposes:

1. To receive and consider the audited financial statements and the reports of the directors and auditors for the year ended 31st December 2003;
2. To declare a final dividend for the year ended 31st December 2003;
3. To re-elect directors and to authorise the board of directors to fix their remuneration;
4. To appoint auditors and to authorise the board of directors to fix their remuneration; and
5. As special business to consider and, if thought fit, pass the following resolutions as Ordinary Resolutions:

### ORDINARY RESOLUTIONS

A. **“THAT:**

- (a) the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the shares 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 regulations 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 the shares to be repurchased pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue on the date 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 earlier 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 Companies Ordinance (Chapter 32 of the Laws of Hong Kong) or the Articles of Association of the Company or other applicable laws of Hong Kong to be held; and

- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting of the Company.”

B. **“THAT:**

the granting of an unconditional general mandate to the directors of the Company to issue, allot and deal with additional shares in the capital of the Company, and to make or grant offers, agreements and options in respect thereof, subject to the following conditions be and is hereby approved:

- (a) such mandate shall not extend beyond the Relevant Period (as hereinafter defined) save the directors of the Company may during the Relevant Period make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (b) the aggregate nominal amount of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company otherwise than pursuant to (i) a Rights Issue (as hereinafter defined), or (ii) an issue of shares in the Company upon the exercise of the subscription rights attaching to any warrants of the Company, or (iii) an issue of shares pursuant to the exercise of any options which may be granted under any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; or (iv) an issue of shares in the capital of the Company as scrip dividends pursuant to the Articles of Association of the Company from time to time, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue on the date 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 earlier 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 Companies Ordinance (Chapter 32 of the Laws of Hong Kong) or the Articles of Association of the Company or other applicable laws of Hong Kong to be held; and
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting of the Company; and

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

- C. **“THAT**, conditional upon passing Resolution No. 5A set out in the notice convening this meeting, the general mandate to the directors of the Company to exercise the powers of the Company to allot shares pursuant to Resolution No. 5B set out in the notice convening this meeting be and is hereby extended by the addition to the aggregate nominal amount of the share capital which may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to such general mandate, of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to Resolution No. 5A set out in the notice convening this meeting, provided that such amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of this Resolution.”

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

#### **SPECIAL RESOLUTION**

**“THAT** the Articles of Association of the Company be altered in the following manner:

##### **(A) Article 2**

- (i) By deleting the definition of “associate” and substituting therefor the following new definitions and marginal note:

“associate(s)”, in relation to any Director, shall have the meaning attributed to associate  
it in the Listing Rules.

- (ii) By deleting the words “Section 2 of the Securities and Futures (Clearing House) Ordinance of Hong Kong” in the definition of “clearing house” and substituting therefor the words “the Securities and Futures Ordinance of Hong Kong”.

- (iii) By deleting the sentence “A communication sent by electronic transmission in any form through any medium” and substituting therefor the following:

“electronic communication” shall mean a communication sent by electronic transmission in any form through any medium.

**(B) Article 73**

- (i) By adding the words “unless a poll is taken as may from time to time be required under the Listing Rules or” immediately before the words “unless a poll is”.
- (ii) By adding the words “or unless a poll is taken as may from time to time be required under the Listing Rules” immediately after the words “the demand is not withdrawn”.

**(C) Article 82**

By adding the following new paragraph (c) and marginal note to the end of the Article 82:

- (c) Where the Company has actual knowledge that any member is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted. Votes not to be counted

**(D) Article 100**

By deleting the paragraph (h) and substituting therefor the following new paragraph:

- (h) A Director shall not vote (nor be counted in the quorum) on any resolution of the Board approving any contract or arrangement or any other proposal in which to his knowledge, he or any of his associates is materially interested, but this prohibition shall not apply to any of the following matters namely:
  - (i) any contract or arrangement for the giving to such Director or his associate(s) any security or indemnity in respect of money lent by him or any of his associates or obligations incurred or undertaken by him or any of his associates at the request of or for the benefit of the Company or any of its subsidiaries;
  - (ii) any contract or arrangement for the giving of any security or indemnity 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 whether alone or jointly under a guarantee or indemnity or by the giving of security;
  - (iii) any contract or arrangement 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;

- (iv) any contract or arrangement in which he or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company or any of its subsidiaries by virtue only of his/their interest in shares or debentures or other securities of the Company;
- (v) any contract or arrangement concerning any other company in which he or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or a shareholder other than a company in which the Director and any of his associates is/are in aggregate beneficially interested in five (5) % or more of the issued shares or of the voting rights of any class of shares of such company (or any third company through which his interest or that of his associate(s)); or
- (vi) any proposal concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death or disability benefits scheme or other arrangement which relates both to directors, his associate(s) and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director or his associate(s) as such any privilege or advantage not accorded to the employees to which such scheme or fund relates.

**(E) Article 105**

By deleting the Article 105 and substituting therefor the following new Article:

105. No person other than a retiring Director shall, unless recommended by the Board for election, be eligible for election as a Director at any general meeting unless not less than seven (7) days before the date appointed for the meeting there shall have been lodged at the office of the Company notice in writing signed by a member (other than the person to be proposed) duly qualified to attend and vote at the general meeting for which such notice is given of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected provided that the period for lodgment of the aforesaid notice shall commence not earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.

**(F) Article 107**

By deleting the words “special resolution” and substituting therefor the words “ordinary resolution”.

**(G) Article 135**

By deleting the Article 135 and substituting therefor the following new Article:

135. The Secretary must be an individual and ordinarily reside in Hong Kong.

**(H) Article 167**

By adding the following new paragraph (c) to the end of the Article 167:

- (c) Subject to the Listing Rules, the Ordinance and other applicable laws, rules and regulations, any notice or other document (including corporate communications abovementioned) may be given by the Company in the English language only, in the Chinese language only or in both. Where a person has in accordance with the Listing Rules, the Ordinance and other applicable laws, rules and regulations consented to receive notices and other documents (including corporate communications abovementioned) from the Company in English language only or the Chinese language only but not both, it shall be sufficient for the Company to serve on or deliver to him any such notice or document in such language only in accordance with these Articles unless and until there is a notice of revocation or amendment of such consent given or deemed to have been given by such person to the Company in accordance with the Listing Rules, the Ordinance and other applicable laws, rules and regulations which shall have effect in respect of any notice or document to be served on or delivered to such person subsequent to the giving of such notice of revocation or amendment.

**(I) Article 178**

- (i) By deleting the words “paragraph (c) of the proviso of Section 165 of the Ordinance” and substituting therefor the words “sub-section (2) of Section 165 of the Ordinance”.
- (ii) By adding the following paragraph to the end of the Article 178:
  - (c) The Company may from time to time and at any time purchase and maintain for any Director, manager, Secretary and other officer of the Company, or any person employed by the Company as Auditor:
    - (i) insurance against any liability to the Company, a related company or any other party in respect of any negligence, default, breach of duty or breach of trust (save for fraud) of which he may be guilty in relation to the Company or a related company; and
    - (ii) insurance against any liability incurred by him in defending any proceedings, whether civil or criminal, taken against him for any negligence, default, breach of duty or breach of trust (including fraud) of which he may be guilty in relation to the Company or a related company.

For the purpose of this Article, related company means any company which is the Company's subsidiary or holding company or a subsidiary of the Company's holding company.

By Order of the Board  
**Wang Guanghao**  
*Chairman*

Hong Kong SAR, 29th April 2004

**Notes:**

- (1) A member entitled to attend and to vote at the meeting is entitled to appoint one or more proxies to attend and to vote instead of him. A proxy need not be a member of the Company.
- (2) The Register of Members of the Company will be closed from Friday, 21st May 2004 to Friday, 28th May 2004, both days inclusive, during which period no transfer of shares can be registered.
- (3) In order to be valid, the form of proxy, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney or other authority, must be deposited at the Company's Share Registrar, Tengis Limited at 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 the holding of the meeting or any adjourned meeting (as the case may be).
- (4) The circular setting out further information regarding the Resolutions No. 5 to 6 will be despatched to shareholders together with the Annual Report 2003 of the Company on 29th April, 2004.
- (5) The Board of Directors of the Company comprises of fifteen directors, of which ten are executive directors, namely, Mr. Wang Guanghao, Mr. Zhou Sichun, Mr. Yu Rumin, Dr Zhang Hongru, Mr. Nie Jiansheng, Dr Wang Jiandong, Mr. He Xiuheng, Mr. Yang Liheng, Mr. Sun Zengyin and Mr. Pang Jinhua; and there is one non-executive director, namely Mr. Ye Disheng; and there are four independent non-executive directors, namely Mr. Kwong Che Keung, Gordon, Mr. Cheung Wing Yui, Mr. Lau Wai Kit and Dr Cheng Hon Kwan.