

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting (the "AGM") of China Velocity Group Limited (the "Company") will be held at Room 1416, 14/F, China Merchants Tower, Shun Tak Centre, Sheung Wan, Hong Kong on Friday, 28th May, 2004 at 11:00 a.m. for the following purposes:

1. To receive and consider the audited financial statements and the reports of the directors and auditors of the Company for the year ended 31st December, 2003.
2. To re-elect retiring directors and to authorise the board of directors of the Company to fix the remuneration of directors of the Company.
3. To re-appoint auditors and to authorise the board of directors of the Company to fix the remuneration of auditors of the Company.
4. As special business, to consider and, if thought fit, pass with or without amendments the following resolutions as an ordinary resolution:

**"THAT:**

- (a) subject to paragraph (c) below, the exercise by the directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and otherwise deal with additional shares in the capital of the Company and to make or grant offers, agreements and options, including warrants to subscribe for shares, which would or might require the exercise of such powers during or after the end of the Relevant Period, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period (as defined below) to make or grant offers, agreements and options which might require the exercise of such powers 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) and issued by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); (ii) an issue of shares upon the exercise of subscription rights or conversion rights under any securities of the Company which are convertible into shares of the Company; (iii) an issue of shares as scrip dividends pursuant to the bye-laws of the Company from time to time; or (iv) an issue of shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to employees or directors of the Company and/or any of its subsidiaries of shares in the capital of the Company or rights, to acquire shares in the capital of the Company shall not exceed aggregate of 20% per cent. of the nominal amount of the share capital of the Company in issue as at the date of this Resolution; and

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(d) for the purpose of this Resolution:

**"Relevant Period"** means the period from the time of passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by laws to be held; and
- (iii) the revocation or variation of this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.

**"Rights Issue"** means the allotment, issue or grant of shares pursuant to an offer open for a period fixed by the directors of the Company to holders of shares or any class thereof on the register of members of the Company on a fixed record date pro rata to their then holdings of such shares or class thereof (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 of any stock exchange in, any territory outside Hong Kong).

5. To consider and, if thought for, pass the following resolution as a special resolution:

**"THAT** the Bye-Laws of the Company be and are hereby amended as follows:

(i) By deleting the definition of "associates" in its entirety and replacing it with the following definition:

" "associates" shall have the meaning attributed to it in the rules of the stock exchange in the Relevant Territory;"

(ii) By deleting the definition of "Clearing House" in its entirety and replacing it with the following definition:

" "Clearing House" means a clearing house recognised by the laws of the Relevant Territory in which the shares of the Company are listed or quoted on a stock exchange in the Relevant Territory;"

(iii) By adding the following definition of Listing Rules:

" "Listing Rules" shall mean the Rules Governing the Listing of Securities on the main board of The Stock Exchange of Hong Kong Limited;"

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- (iv) By deleting the definition of “writing” or “printing” in its entirety and replacing with the following definition:

““writing” or “printing” shall, unless the contrary intention appears, be construed as including printing, lithography and other modes of representing words or figures in a visible form, and including where the representation takes the form of electronic display, provided that both the mode of service of the relevant document or notice and the shareholder’s election comply with all applicable Statutes, rules and regulations;”

- (v) By adding the following Bye-Law 1(F) immediately after Bye-Law 1(E):

“(F) references to a document being executed include references to it being executed under hand or under seal or by electronic signature or by any other method and references to a notice or document include a notice or document recorded or stored in any digital, electronic, electrical, magnetic or other retrievable form or medium and information in visible form whether having physical substance or not.”

- (vi) By amending the reference of the existing Bye-Law 80(B) to Bye-Law 80(C) and adding the following new Bye-Law 80(B) immediately preceding the new Bye-Law 80(C):

“Where any shareholder 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 shareholder in contravention of such requirement or restriction shall not be counted.”

- (vii) By deleting the word “Special” in the first line in Bye-Law 97(A)(vi) and replacing by the word “Ordinary”.

- (viii) By deleting the existing Bye-Law 98(H) in its entirety and replacing with the following new Bye-Law 98(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 he or any of his associate is materially interested, but this prohibition shall not apply to any of or his associate(s) in the following matters namely:

- (a) 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 associate(s) or obligations undertaken by him or any of his associate(s) at the request of or for the benefit of the Company or any of its subsidiaries;
- (b) 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;
- (c) 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;

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- (d) 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 or any of its subsidiaries by virtue only of his/their interest in shares or debentures or other securities of the Company;
  - (e) any contract or arrangement 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 a shareholder other than a company in which the Director and/or his associate(s) is/are beneficially interested in five (5) per cent 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 any of his associates is derived); or
  - (f) 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 or his associates and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director, or his associates(s) as such any privilege or advantage not accorded to the employees to which such scheme or fund relates.”
- (ix) By deleting the existing Bye-Law 98(I) in its entirety and replacing with the following new Bye-Law 98(I):
- “A company shall be deemed to be a company in which a Director and/or his associate(s) owns five (5) per cent. or more if and so long as (but only if and so long as) he and/or his associates (either directly or indirectly) are the holders of the beneficially interested in five (5) per cent. or more of any class of the equity share capital of such company (or of any third company through which his/their interest or that of any of his associates is derived). For the purpose of this paragraph there shall be disregarded any shares held by a Director or his associate(s) as bare or custodian trustee and in which he or any of them has/have no beneficial interest, any shares comprised in a trust in which the interests of the Director or his associate(s) is/are in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust scheme in which the Director is/are interested only as a unit holder and any shares which carry no voting right at general meetings and very restrictive dividend and return of capital right.”
- (x) By deleting the existing Bye-Law 98(J) in its entirety and replacing with the following new Bye-Law 98(J):
- “Where a company in which a Director and/or his associate(s) holds five (5) per cent. or more is/are materially interested in a transaction, then that Director and/or his associate(s) shall also be deemed materially interested in such transaction.”

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- (xi) By deleting the existing Bye-Law 98(K) in its entirety and replacing with the following new Bye-Law 98(K):

“If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the chairman of the meeting) or his associate(s) or as to the entitlement of any Director (other than such chairman) to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director and/or his associate(s) concerned as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the chairman of the meeting such question shall be decided by a resolution of the Board (for which purpose such chairman shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman as known to such chairman has not been fairly disclosed to the Board.”

- (xii) By deleting the existing Bye-Law 103 in its entirety and replacing with the following new Bye-Law 103:

“No person other than a Director retiring at the meeting shall, unless recommended by the Director for election, be eligible for election as Director at any general meeting unless a written notice signed by a shareholder (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a written notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office or at the Registration Office provided that the minimum length of the period, during which such written notice(s) are given, shall be at least seven (7) days and that the period for lodgment of such written notice(s) shall commence no earlier than the day after the dispatch 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.”

- (xiii) By deleting the word “Special” in the first line in Bye-Law 104 and replacing by the word “Ordinary”.

6. To transact any other ordinary business of the Company.

By order of the Board  
**Sin Ka Man**  
*Company Secretary*

Hong Kong, 23rd April, 2004

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*Registered Office:*

Cedar House  
41 Cedar Avenue  
Hamilton HM12  
Bermuda

*Principal place of business in Hong Kong:*

Room 1416, 14/F  
China Merchants Tower  
Shun Tak Centre  
Sheung Wan  
Hong Kong

*Notes:*

1. Any member of the Company entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company.
2. To be valid, a form of proxy must be deposited at the Company's principal place of business in Hong Kong at Room 1416, 14/F China Merchants Tower, Shun Tak Centre, Sheung Wan, Hong Kong together with 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, not less than 48 hours before the time for holding the meeting or any adjournment of such meeting.