

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Members of China United International Holdings Limited ("the Company") will be held at Function Room III, Ground Floor, City Garden Hotel, 9 City Garden Road, North Point, Hong Kong on Monday, 31 May 2004 at 9:00 a.m. for the following purposes:

1. To receive and consider the Financial Statements and the Report of the Directors and Auditors of the Company for the year ended 31 December 2003.
2. To re-elect directors and to authorise the Board of directors to fix their remuneration.
3. To re-appoint auditors and to authorise the Board of directors to fix their remuneration.

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

4. "THAT the articles of association of the Company be amended as follows:
 - (A) by deleting the words "Securities and Futures (Clearing Houses) Ordinance (Cap 420 of the Laws of Hong Kong)" in the definition of "clearing houses" in Article 2 and replacing it with the words "the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)";
 - (B) (i) by renumbering existing Article 16 as Article 16A;
 - (ii) by deleting in the second and third lines of Article 16 the words "without payment to receive within two months after allotment or lodgment of a transfer" and replacing it with the words "to receive within two months after allotment or within ten business days after lodgment of a transfer";
 - (iii) by deleting the words "after the first" in the tenth line immediately after the words "every certificate"; and
 - (iv) by inserting the following as Article 16(B):-

"For the purpose of this Article 16,

"business day" means any day on which the market is open for the business of dealing in securities;

"transfer" means a transfer duly stamped and otherwise valid, and does not include such a transfer as the Company is for any reason entitled to refuse to register and does not register.";
 - (C) by inserting the following as new Article 86(c) immediately after Article 86(b):

"(c) Where the Company has knowledge that any member is, under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, 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.";
 - (D) by deleting the word "special" in Article 107(A)(viii) and replacing it with the word "ordinary";

Notice of Annual General Meeting

(E) by deleting the existing Article 108(B) in its entirety and replacing it with the following new Article 108(B):

“108(B) A Director shall not vote (nor shall he 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(s) has a material interest, but this prohibition shall not apply to any of the following matters, namely:

- (i) any contract or arrangement for the giving of any security or indemnity 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;
- (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 or 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 proposal concerning an offer of the 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 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;
- (v) any proposal concerning any other company in which the Director or his associate(s) is/are interested in, whether directly or indirectly, as an officer or a shareholder or in which the Director or his associate(s) is/are beneficially interested in shares of that company other than a company in which the Director and any of his associates are beneficially interested in 5 per cent. 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; and
- (vi) any proposal or arrangement for the benefit of employees of the Company or its subsidiaries including:
 - (a) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to the Directors, his associates and employees of the Company or of any of its subsidiaries and does not give 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; or
 - (b) the adoption, modification or operation of any employees' share scheme or share incentive scheme or share option scheme under which the Director or his associate(s) may benefit.”;

Notice of Annual General Meeting

- (F) by deleting the word “special” in Article 111 and replacing it with the word “ordinary”;
- (G) by deleting the existing Article 123 in its entirety and replacing it with the following new Article 123:

“No person other than a Director retiring at a meeting shall, unless recommended by the Directors for election, be eligible for election as Director at any general meeting unless a notice signed by a member (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 notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the registered office of the Company provided that the minimum length of the period during which such notice(s) are given shall be at least seven (7) days and that the period for lodgment of such notice(s) shall commence no 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.”;

- (H) by deleting in the third and fourth lines of Article 178(A) the words “paragraph (c) of the proviso to Section 165” immediately after the words “mentioned in” and replacing it with the words “Section 165(2)”;
- (I) by deleting in the first line of Article 178(B) the words “Section 165 of” immediately after the words “Subject to” and replacing it with the words “the provisions of and so far as may be permitted by”; and
- (J) by adding immediately after Article 178(B) the following new Article:

“178(C) Subject to the provisions of and so far as may be permitted by the Companies Ordinance, the Company may purchase and maintain for any officer of the Company:

- (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 178(C), “related company” in relation to the Company means any company that is the Company’s subsidiary or holding company or a subsidiary of the Company’s holding company.”

By order of the Board
Yung Mei Yee
Company Secretary

Hong Kong, 22 April 2004

Notice of Annual General Meeting

Notes:

- (a) A Member entitled to attend and vote at the above meeting is entitled to appoint a proxy or proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company.
- (b) To be valid, a form of proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority must be deposited at the Company's registered office in Hong Kong at 32nd Floor, China United Centre, 28 Marble Road, North Point, Hong Kong not less than 48 hours before the time fixed for the holding of the meeting or any adjournment thereof.
- (c) In relation to resolution 4 above, the purpose is to align the Articles of Association of the Company with certain amendments to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("Listing Rules") (which became effective on 31 March 2004) and the Companies (Amendment) Ordinance 2003 (which came into effect on 13 February 2004). The rationale for the proposed amendments to the Articles of Association of the Company is set out below:
 - (i) to conform with the amended Appendix 3 to the Listing Rules which requires, inter alia, that there be a minimum period during which notice may be given by a member (other than the Director to be proposed) of his intention to propose a person for election as a Director and during which notice is also given by such person of his willingness to be elected. The minimum period must be fixed for at least seven days and the period for lodgment of such notice(s) should commence no earlier than the despatch of the notice of the meeting appointed for such election and end no later than seven days before the date of such meeting.
 - (ii) to conform with the amended Appendix 3 to the Listing Rules which requires where 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.
 - (iii) to conform with the provisions of the amended Appendix 3 to the Listing Rules so that, inter alia, subject to certain exceptions, a Director is not allowed to vote on any resolution of the Board approving any contract or arrangement or any other proposal in which he or any of his associates has a material interest nor shall he be counted in the quorum present at the meeting.
 - (iv) to comply with certain provisions in the Companies (Amendment) Ordinance 2003 with respect to, inter alia, issue of share certificates within 10 business days after lodgment of a transfer and removal of any Director by an ordinary resolution of the Company.
- (d) The Articles of Association of the Company only exists in English, the English text of the proposed resolution 4 shall prevail over the Chinese text.