

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at Harbour Room, Mezzanine Level, Kowloon Shangri-La, 64 Mody Road, Tsimshatsui, Kowloon on Friday, 28 May 2004 at 2:00 p.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 31 December 2003.
2. To re-elect directors and to authorize the board of directors to fix their remuneration.
3. To re-appoint auditors and to authorize the board of directors to fix their remuneration.
4. As special business to consider and, if thought fit, pass with or without amendments the following resolutions numbered below as Ordinary Resolutions and Special Resolution of the Company respectively:

Ordinary Resolutions

(1) **“THAT:**

- (a) subject to sub-paragraph (b) of this Resolution, the exercise by the directors during the Relevant Period (as defined below) of all powers of the Company to allot, issue and deal with Securities (as defined below) in the capital of the Company and to make or grant any offer, agreement and option (including derivatives, bonds, warrants, debentures, notes, options or convertible securities of the Company) which might require the exercise of such powers, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the Securities allotted or agreed to be allotted by the directors pursuant to the approval being granted pursuant to sub-paragraph (a) of this Resolution, otherwise than pursuant to (i) a Rights Issue (as defined below); (ii) exercise of subscription rights attaching to warrants of the Company; (iii) exercise of conversion rights attaching to any convertible securities of the Company; (iv) exercise of subscription rights attaching to options granted by the Company including those granted under a share option scheme adopted the Company; or (v) issue of Securities pursuant to any scrip dividend scheme or any other issue of Securities in lieu of the whole or part of the payment of dividend by the Company, shall not exceed 20 per cent. of the aggregate nominal amount of shares in the capital of the Company in issue as at the date of the passing of this Resolution; and



- (c) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until the earliest of the:

- (i) conclusion of the next annual general meeting of the Company following the passing of this Resolution (unless the authority given under this Resolution has been renewed by an ordinary resolution passed at the next annual general meeting); or
- (ii) expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or applicable laws of the Company to be held; or
- (iii) passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors under this Resolution;

“Securities” shall mean securities of any and all classes in the capital of the Company including shares, warrants and other securities carrying a right to subscribe or purchase securities of the Company; and

“Rights Issue” refers to the offer of securities by the directors with a fixed period of acceptance to all holders of the Company’s Securities, or class of Securities, as recorded in its register of members on a fixed record date in proportion to their then holdings of such Securities (subject to any exclusion or alternative arrangements as the Directors may deem necessary or expedient in relation to overseas holders or fractional entitlements or having regard to any restriction or obligation under the laws of, or the requirements of relevant regulatory bodies and stock exchanges in any territory outside Hong Kong).”

- (2) **“THAT:**

- (a) subject to sub-paragraph (b) of this Resolution, the exercise by the directors during the Relevant Period (as defined below) of all powers of the Company to repurchase Securities in the capital of the Company, subject to and in accordance with the Articles of Association and applicable laws of the Company, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Securities the Company to be repurchased pursuant to the approval in sub-paragraph (a) of this Resolution shall not exceed 10 per cent. of the issued share capital of the Company as at the date of the passing of this Resolution;

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(c) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until the earliest of the:

- (i) conclusion of the next annual general meeting of the Company following the passing of this Resolution (unless the authority given under this Resolution has been renewed by an ordinary resolution passed at the next annual general meeting); or
 - (ii) expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or applicable laws of the Company to be held; or
 - (iii) passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors under this Resolution.”
- (3) **“THAT** conditional upon Resolutions numbered 4(1) and 4(2) in this notice being passed, the aggregate nominal amount of Securities that may be allotted or agreed conditionally or unconditionally to be allotted by the directors in accordance with their powers to allot, issue and otherwise deal with Securities pursuant to the authority granted under Resolution numbered 4(1) shall be and is hereby extended by the nominal amount of Securities repurchased by the Company under the authority granted to the directors as mentioned in Resolution numbered 4(2).”

Special Resolution

(4) **“THAT** the Articles of Association of the Company be and are hereby amended as follows:

(a) Article 2 be amended by deleting the definition of “associate” and substituting with the following:

“associate “associate” shall have the same meaning ascribed to it under the Rules Governing the Listing of Securities on the Stock Exchange;”

(b) Article 78 be deleted in its entirety and replaced by the following:

“78. Passing of resolution

Subject to the rules as prescribed by the Stock Exchange from time to time, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:

(i) by the chairman of the meeting; or

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- (ii) by at least three members present in person or by proxy for the time being entitled to vote at the meeting; or
- (iii) by any member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (iv) by a member or members present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

On a poll, votes may be given either personally or by proxy.”

- (c) A new Article 79A be added as follows:

“79A. Voting Restriction

Where any member is, under the Rules Governing the Listing of Securities on the Stock Exchange, 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) Article 105(A) (vii) be deleted in its entirety and replaced by the following:

“(vii) if he shall be removed from office by an ordinary resolution of the Company under Article 113.”

- (e) Articles 106(H) be deleted in its entirety and replaced by the following:

“(H) Save as otherwise provided by the Articles, a Director shall not vote (nor be counted in the quorum) on any resolution of the Board in respect of any contract or arrangement in which he or any of his associates 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 to such Director or his associate(s) any security or indemnity in respect of money lent or obligations undertaken by him or his associate(s) for the benefit of the Company or any of its subsidiaries;

- (ii) any contract or arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company or any of its subsidiaries 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 a security;
- (iii) any contract or arrangement by a Director or his associate(s) to subscribe for shares or debentures or other securities of the Company or any of its subsidiaries to be issued pursuant to any offer of invitation to the members or debenture holders or to the public which does not provide the Director or his associate(s) any privilege not accorded to any other members or debenture holders or to the public;
- (iv) any contract or arrangement concerning an offer of the shares or debentures or other securities of or by the Company or any of its subsidiaries 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;
- (v) 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 or their interest in shares or debentures or other securities of the Company;
- (vi) any contract or arrangement concerning any other company (not being a company in which the Director together with any of his associates own 5 per cent. or more (as defined in paragraph (l) of this Article)) in which he or his associate(s) is/are interested directly or indirectly whether as a shareholder, an officer or executive;
- (vii) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including 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 accorded to the employees to which such scheme or fund relates; and
- (viii) any proposal concerning the adoption, modification or operation or any share scheme, share incentive or share option scheme involving the issue or grant of options over shares or other securities of the Company to, or for the benefit of the employees of the Company or its subsidiaries under which the Director or his associate(s) may benefit.”



(f) Article 106(l) be deleted in its entirety and replaced by the following:

“(l) A company shall be deemed to be a company in which a Director together with any of his associates own 5 per cent. or more if and so long as (but only if and so long as) he together with any of his associates are (either directly or indirectly) the holders of or beneficially interested in 5 per cent. or more of any class of the equity share capital of such company or of the voting rights available to members of such company. For the purpose of this paragraph there shall be disregarded any shares held by a Director or any of his associate as bare or custodian trustee and in which he or his associate(s) has/have no beneficial interest, any share comprised in a trust in which the interest of a Director or his associate(s) is 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 or his associate(s) is/are interested only as a unit holder.”

(g) Article 106(K) be deleted in its entirety and replaced by the following:

“(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) and any of his associates or as to the entitlement of any Director (other than such chairman) to vote or be counted in the quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, 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 case where the nature or extent of the interest of the Director 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, and any interested Director shall not be counted in the quorum and shall not vote thereon) and such resolution shall be final and conclusive except in case where the nature or extent of the interest of the chairman or his associate(s) as known to such chairman has not been fairly disclosed to the Board.”

(h) Article 111 be deleted in its entirety and replaced by the following:

“111. Notice to be given when person proposed for election

No person, other than a retiring Director, shall be eligible for election to the office of the Director at any general meeting, unless notice in writing by a member (not being the person to be proposed) entitled to attend and vote at the meeting, of his intention to propose such person for election as a Director and notice in writing by that person of his willingness to be elected shall have been lodged at the Office of the Company not earlier than the day after the dispatch of the notice of the general meeting appointed for such election and not later than seven days prior to the date of such meeting.”

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- (i) Article 113 be deleted in its entirety and replaced by the following:

“113. Power to remove Director

The Company may by ordinary resolution remove any Director (including a managing or executive director) before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director (but without prejudice to any claim which such Director may have for damages for any breach of any contract of service between him and the Company) and may elect another person in his stead. Any person so elected shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election, but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting.”

By Order of the Board

Chow Ho Tung, Anthony

Secretary

Hong Kong, 23 April 2004

Notes:

- (1) A shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a shareholder of the Company and any appointment of proxy shall not preclude the shareholder entitled to vote at the said meeting to attend and vote in person if he so desires.
- (2) To be valid, a form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a materially certified copy thereof, must be deposited at the registered office of the Company at Unit 2017, 20th Floor, Two Pacific Place, 88 Queensway, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjourned meetings thereof.
- (3) A circular containing information in relation to Resolutions numbered 4(1) to 4(4) will be dispatched to the shareholders of the Company together with the 2003 Annual Report.
- (4) In relation to Resolution numbered (2) in the notice regarding re-election of directors, Mr. Chan Tat Chee, Ms. Tang Yuk Chee, Josephine, Mr. Chow Ho Tung, Anthony, Mr. Cham Yiu Keung and Mr. Lee Yu Leung will retire at the Annual General Meeting, and , being eligible, offer themselves for re-election in accordance with the Articles of Association of the Company. The biographical details of the said directors who are seeking for re-election at the Annual General Meeting are set out in the 2003 Annual Report.