

Notice of Annual General Meeting

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NOTICE IS HEREBY GIVEN that the Annual General Meeting of South Sea Holding Company Limited (the “Company”) will be held at Chater Room I, Function Room Level (B1), The Ritz-Carlton, 3 Connaught Road Central, Hong Kong on 11 June 2004 at 10:00 a.m. for the following purposes:–

1. To receive and adopt the audited financial statements and the Reports of the Directors and Auditors for the period from 1 April 2003 to 31 December 2003.
2. To re-elect the retiring Directors and to authorize the Board of Directors to fix the remuneration of the Directors.
3. To re-appoint the retiring Auditors and to authorize the Board of Directors to fix their remuneration.

ORDINARY RESOLUTIONS

4. As Special Business, to consider and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution of the Company:

“**THAT:**

- (a) subject to paragraph (c) of this Resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to allot, issue or grant securities convertible into such shares, or options, warrants or similar rights to subscribe for any such shares or such convertible securities and to make or grant offers, agreements and options which might require the exercise of such power whether during or after the end of the Relevant Period be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this Resolution shall be in addition to any other authorizations given to the directors of the Company and shall authorize such directors during the Relevant Period to make or grant offers, agreements and options which 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) and issued by the directors of the Company pursuant to the approval given in paragraph (a) of this Resolution, otherwise than pursuant to (i) a Rights Issue; (ii) an issue of shares as scrip dividends pursuant to the bye-laws of the Company from time to time; (iii) an issue of shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to 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 pursuant to the exercise of rights of subscription or conversion under terms of any warrants issued by the Company or any securities which are convertible into shares in the Company, shall not exceed 20% of the nominal amount of the issued share capital of the Company at the date of passing of this Resolution and the said approval shall be limited accordingly;
- (d) subject to the passing of each of paragraphs (a), (b) and (c) of this Resolution, any prior approvals of the kind referred to in paragraphs (a), (b) and (c) of this Resolution which had been granted to the directors of the Company and which are still in effect be and are hereby revoked; and

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- (e) for the purpose 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 law or the bye-laws of the Company 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 of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to the holders of shares of the Company on the register on a fixed record date in proportion to their then holdings of such shares as at the date (subject to such exclusion 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 applicable to the Company).”

5. As Special Business, to consider and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution of the Company:

“**THAT:**

- (a) subject to paragraph (b) of this Resolution, 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 in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares in the Company which may be repurchased by the Company pursuant to the approval in paragraph (a) of this Resolution shall not exceed 10% of the nominal amount of the share capital of the Company in issue at the date of passing of this Resolution and the said approval shall be limited accordingly;
- (c) subject to the passing of each of paragraphs (a) and (b) of this Resolution, any prior approvals of the kind referred to in paragraphs (a) and (b) of this Resolution which had been granted to the directors of the Company and which are still in effect be and are hereby revoked; and
- (d) 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 law or the bye-laws of the Company 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 of the Company in general meeting.”

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6. As Special Business, to consider and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution of the Company:

“**THAT** subject to the passing of resolutions numbered 4 and 5 set out in the notice convening this Meeting, the general mandate granted to the directors of the Company to issue and dispose of additional shares pursuant to resolution numbered 4 set out in the notice convening this Meeting be and is hereby extended by the addition thereto 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 numbered 5 set out in the notice convening this Meeting, provided that such amount of shares so repurchased shall not exceed 10% of the nominal amount of the share capital of the Company in issue at the date of passing of this Resolution.”

SPECIAL RESOLUTION

7. As Special Business, to consider and, if thought fit, pass the following resolution as a Special Resolution of the Company:

“**THAT** the Bye-Laws of the Company adopted on 15 January 1991 and amended up to 8 September 2003 be amended as follows:

- (a) by deleting the existing definition of “associates” in Bye-Law 1 and substituting therefor the following new definition:

““associates” shall mean in relation to any Director, chief executive or substantial shareholder, such meaning as assigned to it by the Listing Rules.”

- (b) by deleting the existing definition of “Clearing House” in Bye-Law 1 and substituting therefor the following new definition:

““Clearing House” shall mean a recognised clearing house within the meaning of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) or a clearing house or authorised shares depository recognised by the laws of the jurisdiction in which the shares of the Company are listed or quoted on a stock exchange in such jurisdiction.”

- (c) by adding the following new definition of “Director” in Bye-Law 1 in appropriate alphabetical order:

““Director” shall mean a director of the Company for the time being.”

- (d) by adding the following new definition of “Hong Kong” in Bye-Law 1 in appropriate alphabetical order:

““Hong Kong” shall mean the Hong Kong Special Administrative Region of the People’s Republic of China.”

- (e) by adding the following new definition of “Listing Rules” in Bye-Law 1 in appropriate alphabetical order:

““Listing Rules” shall mean the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time).”

- (f) by generally reordering in alphabetical order the definitions as they appear in Bye-Law 1 of the Bye-laws of the Company;

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(g) by adding the words “and Bye-Law 76A” immediately following the words “attached to any class or classes of shares” as they appear in Bye-Law 76 and by deleting the words “(the holder of such proxy being himself a member)” from Bye-Law 76;

(h) by adding the following paragraph as a new Bye-Law 76A immediately after Bye-Law 76:

“Where any member is, under the Listing Rules, required at any general meeting 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.”

(i) by deleting the existing paragraph (H) of Bye-Law 98 in its entirety and substituting therefor the following new paragraph:

“(H) Save as otherwise provided by these Bye-Laws, a Director shall not vote (nor be counted in the quorum) on any resolution of the Board approving any contract or arrangement or proposal in which he or any of his associates has/have a material interest, and if he shall do so his vote shall not be counted (nor shall he be counted in the quorum for that resolution), but this prohibition shall not apply to any of the following matters:–

(i) the giving of any security or indemnity either:

(a) 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

(b) 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;

(ii) 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;

(iii) 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 associate(s) is derived) or of the voting rights;

(iv) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:

(a) the adoption, modification or operation of any employees’ share scheme or any share incentive or share option scheme involving the issue or grant of options over shares or other securities by the Company under which the Director or his associate(s) may benefit; or

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- (b) 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
- (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 by virtue only of his/their interest in shares or debentures or other securities of the Company.”
- (j) by adding the words “The period for lodgment of the notices above referred to will 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.” immediately following the last sentence of Bye-Law 103;
- (k) by adding the words “or by facsimile” immediately following the words “or by telephone or by telex” in Bye-Law 121; and
- (l) by adding the words “or number” immediately following the words “or telegram at the address” in Bye-Law 121.”

By order of the Board
Watt Ka Po James
Company Secretary

Hong Kong, 29 April 2004

Notes:

1. A member who is the holder of two or more shares and who is entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote in his stead. A proxy need not be a member of the Company.
2. 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 thereof, must be deposited at the share registrars of the Company in Hong Kong, Abacus Share Registrars 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 holding the meeting or any adjournment thereof.
3. The register of members will be closed from 7 June 2004 to 11 June 2004, both days inclusive, during which period no transfer of shares will be effected for the purpose of determining the identity of members who are entitled to attend and vote at the meeting. In order to register the transfers, all transfers accompanied by the relevant share certificates must be lodged with the share registrars of the Company in Hong Kong, Abacus Share Registrars Limited at G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not later than 4:00 p.m. on 4 June 2004.