

## Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of the Company will be convened at the Vinson Room, Pacific Place Conference Centre, Level 5, One Pacific Place, 88 Queensway, Central, Hong Kong on Monday 31st May 2004 at 11:00 a.m. for the following purposes:–

1. To receive, consider and adopt the Financial Statements and the Reports of Directors and of the Auditors for the year ended 31st December 2003,
2. To declare dividend,
3. To elect Director and to authorise directors to fix the remuneration of the Directors,
4. To appoint auditors for the ensuing year and to authorise directors to fix their remuneration,
5. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution by way of special business:

**"THAT**

- (a) subject to paragraph (b) of this Resolution, the exercise by the Directors during the Relevant Period (as defined in paragraph (c) of this Resolution) of all the powers of the Company to purchase shares of HK\$0.01 each in the capital of the Company be and is hereby generally and unconditionally approved;
- (b) the total nominal amount of the shares to be purchased pursuant to the approval in paragraph (a) above shall not exceed 10% of the total 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 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 the Bye-laws of the Company or any applicable law of Bermuda to be held; or
  - (iii) the revocation or variation of this Resolution by an ordinary resolution of the shareholders of the Company in general meeting."

6. To consider and, if thought fit, pass with or without amendment, the following resolution as ordinary resolution by way of special business:–

**"THAT** there be granted to the Directors of the Company an unconditional general mandate to allot, issue 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:–

- (a) such mandate shall not extend beyond the Relevant Period save that the Directors 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;

## Notice of Annual General Meeting

- (b) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors otherwise than pursuant to a Rights Issue or the Company's Executive Share Option Scheme (the "Share Option Scheme"), shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this resolution.
- (c) such mandate shall be additional to the authority to be given to the Directors to grant options under the Share Option Scheme and, at any time, to allot and issue additional shares in the capital of the Company arising from the exercise of subscription rights under such options; and
- (d) 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 the Bye-laws of the Company or any applicable law of Bermuda to be held; or
  - (iii) the revocation or variation of this Resolution 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 made to holders of shares on the Register of Members 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 may deem necessary or expedient in relation to fractional entitlements or having regard to any restriction or obligation under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, or in any territory outside, Hong Kong and Bermuda)."

7. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution by way of special business:

**"THAT** the general mandate granted to the Directors of the Company to exercise the powers of the Company to issue, allot and dispose of shares pursuant to Resolution 6 above be and is hereby extended by the addition to the total nominal amount of share capital and any shares which may be issued, allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company pursuant to such general mandate an amount representing the total nominal amount of shares in the capital of the Company which has been purchased by the Company since the granting of such general mandate pursuant to Resolution 5 above, provided that such amount shall not exceed 10% of the total nominal amount of the share capital of the Company in issue on the date of this Resolution."

### SPECIAL RESOLUTION

8. To amend the Bye-Laws of the Company by passing the following as a special resolution:

**“THAT** the Bye-Laws of the Company be amended as follows:

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

““associate” has the meaning ascribed to it under the Listing Rules;”

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

““Clearing House” means a clearing house or authorized share 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 after the definition for ““paid up” or “paid”” in Bye-Law 1(A):

““Registration Office” in respect of any class of share capital, means such place as the board of Directors may from time to time determine to keep a branch register of members in respect of that class of share capital and where (except in cases where the board of Directors otherwise directs) the transfers or other documents of title for such class of share capital are to be lodged for registration and are to be registered;”

- (d) By adding the following new definition after the definition for “the Directors” in Bye-Law 1(A):

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

- (e) By adding the following two paragraphs as the fourth and fifth paragraphs under Bye-Law 1(B):

“Expressions referring to writing shall, unless the contrary intention appears, be construed as including printing, lithography, photography 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 member’s election comply with all applicable Statutes, rules and regulations.

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.”

- (f) By adding the following words immediately after the words “in any usual or common form” in Bye-Law 39(A):

“or in a form prescribed by the Designated Stock Exchange”

## Notice of Annual General Meeting

- (g) By adding the following words immediately after the words “one leading Chinese language newspaper,” in Bye-Law 44:

“or by any means in such manner as may be accepted by the Designated Stock Exchange to that effect”

- (h) By adding the following words immediately before the words “any share premium account” in Bye-Law 53:

“, save for the use of share premium as expressly permitted by the Act,”

- (i) By deleting the existing Bye-Law 67 and substituting therefor the following as the new Bye-Law 67:

“67. Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Bye-Laws, at any general meeting on a show of hands every member present in person (or being a corporation, is present by a representative duly authorised under Section 78 of the Act), or by proxy shall have one vote and on a poll every member present in person or by proxy or, in the case of a member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share. Notwithstanding anything contained in these Bye-Laws, where more than one proxy is appointed by a member which is a Clearing House (or its nominee(s)), each such proxy shall have one vote on a show of hands.

A resolution put to the vote of a meeting shall be decided on a show of hands unless otherwise required under the Listing Rules or (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (a) by the chairman of such meeting; or
- (b) by at least three members present in person (or in the case of a member being a corporation by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (c) by a member or members present in person (or in the case of a member being a corporation by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all members having the right to vote at the meeting; or
- (d) by a member or members present in person (or in the case of a member being a corporation by its duly authorised representative) 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 shares conferring that right.

A demand by a person as proxy for a member or in the case of a member being a corporation by its duly authorised representative shall be deemed to be the same as a demand by a member.

## Notice of Annual General Meeting

Unless a poll is so demanded and the demand is not withdrawn or otherwise required under the Listing Rules, a declaration by the chairman that a resolution has, on a show of hands, been carried or carried unanimously or by a particular majority or lost and an entry to that effect in the book of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against that resolution."

- (j) By adding the following new Bye-Law 75(A):

"75A. No member shall, unless the board of Directors otherwise determines, be entitled to attend and vote and to be reckoned in a quorum at any general meeting unless he is duly registered and all calls or other sums presently payable by him in respect of shares in the Company have been paid."

- (k) By adding the following new Bye-Law 75(B):

"75B. 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."

- (l) By deleting the last sentence of the existing Bye-Law 84(B) and substituting therefor the following as the last sentence of the new Bye-Law 84(B):

"The person so authorised shall be deemed to have been duly authorised without further evidence of the facts and will be entitled to exercise the same power on behalf of the relevant Clearing House as that Clearing House (or its nominee(s)) could exercise if it were an individual shareholder of the Company."

- (m) By deleting the words "at least 7 days before the date of the general meeting appointed for such election." at the end of Bye-Law 87 and substituting therefor for the following words:

"and lodged at the head office or at the Registration Office provided that the minimum length of the period during which such notice(s) may be given shall be at least 7 days and that the period for lodgment of the above 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 7 days prior to the date of such general meeting."

- (n) By deleting the existing Bye-Laws 109(E) to (H) and substituting therefor the following:

"(E) A Director shall not vote (nor be counted in the quorum) on any resolution of the Directors approving any contract or arrangement or any other proposal in which he or any of his associates has a material interest, but this prohibition shall not apply and a Director may vote (and be counted in the quorum) in respect of any resolution concerning any one or more of the following matters:

- (i) the giving to him or any of his associates of any guarantee, indemnity or security 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;

## Notice of Annual General Meeting

- (ii) the giving to a third party of any guarantee, indemnity or security in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself or any of 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;
  - (iii) 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 any of 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 proposal 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 shareholder or in which he or his associate(s) is/are beneficially interested in shares of that company, provided that he and any of his associates are not in aggregate beneficially interested in five (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;
  - (v) 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 under which he or his associate(s) may benefit; or (b) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to him, his associates and employees of the Company or of any of its subsidiaries and does not provide in respect of him, 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;
  - (vi) 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 by virtue only of his/their interest in shares or debentures or other securities of the Company.
- (F) Where a company in which a Director and/or his associate(s) owns five (5) per cent. or more is materially interested in a transaction, then that Director and/or his associate(s) shall also be deemed materially interested in such transaction. 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 associate(s) (either directly or indirectly) are the holders of or beneficially interested in five (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 (or of any third company through which his 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 no beneficial interest, any shares comprised in a trust in which the interest 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 or his associate(s) 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.

## Notice of Annual General Meeting

- (G) If any question arises at any meeting as to the materiality of an interest of a Director (other than the chairman of the meeting) or any of his associates or as to the entitlement of any Director (other than the chairman of the meeting) to vote and the question is not resolved by his voluntarily agreeing to abstain from voting, the question shall be referred to the chairman of the meeting and his ruling in relation to the Director concerned shall be final and conclusive except in a case where the nature or extent of the interest of the Director and/or any of his associates concerned, so far as known to him, has not been fairly disclosed. If any question shall arise in respect of the chairman of the meeting or any of his associates and is not resolved by his voluntarily agreeing to abstain from voting, the question shall be decided by a resolution of the Directors (for which purpose the chairman shall be counted in the quorum but shall not vote on the matter) and the resolution shall be final and conclusive except in a case where the nature or extent of the interest of the chairman or any of his associates, so far as known to him, has not been fairly disclosed."
- (o) By deleting the existing Bye-Law 155 and substituting therefor the following:
- "155. Subject to Section 88 of the Act and Bye-Law 155A, a printed copy of the Directors' report, accompanied by the balance sheet and profit and loss account, including every document required by law to be annexed thereto, made up to the end of the applicable financial year and containing a summary of the assets and liabilities of the Company under convenient heads and a statement of income and expenditure, together with a copy of the auditors' report, shall be sent to each person entitled thereto at least twenty-one (21) days before the date of the annual general meeting and laid before the Company in annual general meeting in accordance with the requirements of the Act provided that this Bye-Law shall not require a copy of those documents to be sent to any person whose address the Company is not aware of or to more than one of the joint holders of any shares or debentures."
- (p) By adding the following new Bye-Law 155(A):
- "155A. To the extent permitted by and subject to due compliance with all applicable Statutes, rules and regulations, including, without limitation, the laws of the jurisdiction in which the shares of the Company are listed or quoted on a stock exchange in such jurisdiction and the rules of the Designated Stock Exchange, and to obtaining all necessary consents, if any, required thereunder, the requirements of Bye-Law 155 shall be deemed satisfied in relation to any person by sending to the person in any manner not prohibited by the Statutes, a summary financial report derived from the Company's annual accounts and the Directors' report which shall be in the form and containing the information required by applicable laws and regulations, provided that any person who is otherwise entitled to the annual financial statements of the Company and the Directors' report thereon may, if he so requires by notice in writing served on the Company, demand that the Company sends to him, in addition to a summary financial report, a complete printed copy of the Company's annual financial statement and the Directors' report thereon."

## Notice of Annual General Meeting

- (q) By adding the following new Bye-Law 155(B):

"155B. The requirement to send to a person referred to in Bye-Law 155 the documents referred to in that provision or a summary financial report in accordance with Bye-Law 155A shall be deemed satisfied where, subject to and in accordance with all applicable Statutes, rules and regulations, including, without limitation, the laws of the jurisdiction in which the shares of the Company are listed or quoted on a stock exchange in such jurisdiction and the rules of the Designated Stock Exchange, the Company publishes copies of the documents referred to in Bye-Law 155 and, if applicable, a summary financial report complying with Bye-Law 155A, on the Company's computer network or in any other permitted manner (including by sending any form of electronic communication), and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company's obligation to send to him a copy of such documents."

- (r) By deleting the existing Bye-Laws 160 and 161 and substituting therefor the following as the new Bye-Laws 160 and 161, respectively:

"160. Any notice or document (including any "corporate communication" within the meaning ascribed thereto under the Listing Rules) whether or not to be given or issued under these Bye-Laws from the Company to a member shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or communication and any such notice and document may be served or delivered by the Company on or to any member either personally or by sending it through the post in a prepaid envelope addressed to such member at his registered address as appearing in the register or at any other address supplied by him to the Company for the purpose or, as the case may be, by transmitting it to any such address or transmitting it to any telex or facsimile transmission number or electronic number or address or website supplied by him to the Company for the giving of notice to him or which the person transmitting the notice reasonably and bona fide believes at the relevant time will result in the notice being duly received by the member or may also be served by advertisement in appointed newspapers (as defined in the Act) or in newspapers published daily and circulating generally in the territory of and in accordance with the requirements of the Designated Stock Exchange or, to the extent permitted by the applicable laws, by placing it on the Company's website and giving to the member a notice stating that the notice or other document is available there (a "notice of availability"). The notice of availability may be given to the member by any of the means set out above. In the case of joint holders of a share all notices shall be given to that one of the joint holders whose name stands first in the register and notice so given shall be deemed a sufficient service on or delivery to all the joint holders.

161. Any notice or other document:

- (a) if served or delivered by post, shall where appropriate be sent by airmail and shall be deemed to have been served or delivered on the day following that on which the envelope containing the same, properly prepaid and addressed, is put into the post; in proving such service or delivery it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly addressed and put into the post and a certificate in writing signed by the secretary or other officer of the Company or other person appointed by the board of Directors that the envelope or wrapper containing the notice or other document was so addressed and put into the post shall be conclusive evidence thereof;



## Notice of Annual General Meeting

- (b) if sent by electronic communication, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent. A notice placed on the Company's website is deemed given by the Company to a member on the day following that on which a notice of availability is deemed served on the member;
- (c) if served or delivered in any other manner contemplated by these Bye-Laws, shall be deemed to have been served or delivered at the time of personal service or delivery or, as the case may be, at the time of the relevant despatch, transmission or publication; and in proving such service or delivery a certificate in writing signed by the secretary or other officer of the Company or other person appointed by the board of Directors as to the fact and time of such service, delivery, despatch, transmission or publication shall be conclusive evidence thereof; and
- (d) may be given to a member either in the English language or the Chinese language, subject to due compliance with all applicable Statutes, rules and regulations.”

By Order of the Board

**Lau Hak Woon**

*Company Secretary*

Hong Kong, 14th April 2004

*Notes:*

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
2. To be valid, the form of proxy, together with a power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power of attorney or authority, must be deposited at the Company's principal office at Room 3907-3910, 39/F., 118 Connaught Road West, Hong Kong not less than 48 hours before the time appointed for holding the meeting or adjourned meeting. The form of proxy must be completed strictly in accordance with the instructions set out therein.
3. Concerning item 3 above, in accordance with Articles 89 & 97 of the Company's Bye-laws, Mr. Lin Jingao and Dr. Liu Xiao Feng retire at the forthcoming Annual General Meeting, and being eligible, offer themselves for re-election.
4. Concerning item 6 above, the directors presently have no intention to issue any new shares of the Company other than shares which may fall to be issued pursuant to the exercise of options under the Executive Share Option Scheme of the Company.