

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that an annual general meeting of the Company will be held at Pacific Room, Island Pacific Hotel, 152 Connaught Road West, Hong Kong on Tuesday, 1st 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 year ended 31st December, 2003.
2. To re-elect retiring directors and to fix the remuneration of directors.
3. To re-appoint auditors and to authorise the directors to fix their remuneration.

As special business, to consider and, if thought fit, pass the following resolutions, which will be proposed with or without amendments, as ordinary resolutions and special resolution of the Company:

ORDINARY RESOLUTIONS

4. “THAT:

- (a) subject to paragraph (c) below, 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 of HK\$0.01 each in the capital of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power 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 hereinafter defined) to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or 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 in paragraph (a) above, otherwise than (i) a Rights Issue (as hereinafter defined); (ii) an issue of shares as scrip dividends pursuant to the articles of association of the Company from time to time; or (iii) an issue of shares under any option scheme or similar arrangement for the time being adopted for grant or issue of shares or rights to acquire shares of the Company; shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this Resolution, and the said approval shall be limited accordingly; and

Notice of Annual General Meeting

- (d) for the purpose of this Resolution,

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest 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 articles of association of the Company to be held; or
- (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; and

“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 fixed record date in proportion to their then holdings of such shares as at that date (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 or any stock exchange in, any territory outside Hong Kong applicable to the Company).”

5. **“THAT:**

- (a) subject to paragraph (b) below, 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 of HK\$0.01 each in the capital of the Company on The Stock Exchange of Hong Kong Limited (“the Stock Exchange”) or on any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company which the Directors of the Company is authorised to repurchase pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing 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 earliest 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 articles of association of the Company to be held; or
 - (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.”
6. “**THAT** subject to the passing of Resolutions No. 4 and No. 5 set out in the notice convening the meeting, the general mandate granted to the Directors of the Company to allot, issue and deal with additional shares pursuant to Resolution No. 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 shares in the capital of the Company repurchased by the Company under the authority granted pursuant to Resolution No. 5 set out in the notice convening this meeting, provided that such amount of shares so repurchased shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the said Resolution.”

SPECIAL RESOLUTION

7. “**THAT** the Articles of Association of the Company be amended as follows:

- (1) By deleting the definition of “Associates” in Article 142 and replacing it with “(Intentionally Deleted)”. Then substituting thereof the following new definition of Associate in Article 2 of the Articles of Association:

“Associate” shall mean, in relation to any Director:

- (i) his spouse and any of his or his spouse’s children or stepchildren, natural or adopted, under the age of 18 (“family interests”);

Notice of Annual General Meeting

- (ii) the trustees, acting in their capacity as such trustees, of any trust of which he or any of his family interests is a beneficiary or, in the case of a discretionary trust, is (to his knowledge) a discretionary object and any company (“trustee-controlled company”) in the equity capital of which the trustees, acting in their capacity as such trustees, are directly or indirectly interested so as to exercise or control the exercise of 30 per cent. (or such other amount as may from time to time be specified in the HK Code on Takeovers and Mergers as being the level for triggering a mandatory general offer) or more of the voting power at general meetings, or to control the composition of a majority of the Board and any other company which is its subsidiary (together, the “trustee interests”);
 - (iii) a holding company of a trustee-controlled company or subsidiary of any such holding company;
 - (iv) any company in the equity capital of which he, his family interests, any of the trustees referred to in (ii) above, acting in their capacity as such trustees, and/or any trustee interests taken together are directly or indirectly interested (other than through their respective interests in the capital of the Company) so as to exercise or control the exercise of 30 per cent. (or such other amount as may from time to time be specified in the HK Code on Takeovers and Mergers as being the level for triggering a mandatory general offer) or more of the voting power at general meetings, or to control the composition of a majority of the Board and any other company which is its subsidiary or holding company or a fellow subsidiary of any such holding company; and
 - (v) any other persons who would be deemed as an “Associate” of the Director under the Listing Rules.
- (2) By inserting the following new definitions in Article 2 of the Articles of Association:

“the Company’s Website” shall mean the website of the Company, the address or domain name of which has been notified to members;

“electronic” shall have the meaning given to it in the Electronic Transactions Law 2000 of the Cayman Islands and any amendment thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor;

“Electronic Signature” means an electronic symbol or process attached to or logically associated with an electronic communication and executed or adopted by a person with the intent to sign the electronic communication;

Notice of Annual General Meeting

- (3) By deleting the definition “published in the newspapers” as set out in Article 2 of the Articles of Association and replacing it with the following:

“published in the newspapers” means published as a paid advertisement in English in at least one English language newspaper and in Chinese in at least one Chinese language newspaper, being in each case a newspaper published daily and circulating generally in Hong Kong in accordance with the Listing Rules.

- (4) By deleting the definition “recognised clearing house” as set out in Article 2 of the Articles of Association and replacing it with the following:

“recognised clearing house” shall have the meaning ascribed thereto in Part I of Schedule 1 of the Securities and Futures Ordinance of Hong Kong and any amendments thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor;

- (5) By deleting the definition “subsidiary and holding company” as set out in Article 2 of the Articles of Association and replacing it with the following:

“subsidiary” and “holding company” shall have the meanings attributed to such terms in the Companies Ordinance, but interpreting the term “subsidiary” in accordance with the definition of “subsidiary” under rule 1.01 of the Listing Rules;

- (6) By deleting the definition “writing/printing” as set out in Article 2 of the Articles of Association and replacing it with the following:

“writing” or “printing” shall include writing, printing, lithograph, photograph, type-writing and every other mode of representing words or figures in a legible and non transitory form and, only where used in connection with a notice served by the Company on members or other persons entitled to receive notices hereunder, shall also include a record maintained in an electronic medium which is accessible in visible form so as to be useable for subsequent reference;

- (7) By deleting the words “they deem” and replacing them with “it deems” in Article 17.

Notice of Annual General Meeting

- (8) By deleting Article 23 and replacing it with the following:

“23. The register may, on 14 days’ notice being given by advertisement published in the newspapers, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as herein provided, be closed at such times and for such periods as the Board may from time to time determine, either generally or in respect of any class of shares, provided that the register shall not be closed for more than 30 days in any year (or such longer period as the members may by ordinary resolution determine provided that such period shall not be extended beyond 60 days in any year). The Company shall, on demand, furnish any person seeking to inspect the register or part thereof which is closed by virtue of this Article with a certificate under the hand of the Secretary stating the period for which, and by whose authority, it is closed.”

- (9) By deleting Article 38 and replacing it with the following:

“38. In addition to the giving of notice in accordance with Article 36, notice of the person appointed to receive payment of every call and of the times and places appointed for payment may be given to the members affected by notice published in the newspapers or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as herein provided.”

- (10) By deleting Article 47 and replacing it with the following:

“47. Transfer of shares may be effected by an instrument of transfer in the usual common form or in such other form as the Board may approve, which is consistent with the standard form of transfer as prescribed by the Exchange and approved by the Board. All instruments of transfer must be left at the registered office of the Company or at such other place as the Board may appoint and all such instruments of transfer shall be retained by the Company.”

- (11) By deleting Article 49(f) and replacing it with the following:

“49(f). a fee for registration of such maximum amount as the Exchange may from time to time determine to be payable (or such lesser sum as the Board may from time to time require) is paid to the Company in respect thereof.”

Notice of Annual General Meeting

- (12) By deleting the word “an” before the words “competent court” and replacing it with “any” in Article 51.
- (13) By deleting the word “further” before the word “charge” in the third line of Article 52.
- (14) By deleting Article 53 and replacing it with the following:
 - “53. The registration of transfers may, on 14 days’ notice being given by advertisement published in the newspapers, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as herein provided, be suspended and the register closed at such times for such periods as the Board may from time to time determine, provided always that such registration shall not be suspended or the register closed for more than 30 days in any year (or such longer period as the members may by ordinary resolution determine provided that such period shall not be extended beyond 60 days in any year).”
- (15) By deleting the words “of the Company” as they appear in the first line of Article 64.
- (16) By adding the word “the” before the word “Law” in Article 80.
- (17) By deleting the word “exclusive” and replacing with the word “inclusive” as it appears in the fourth line of Article 90.
- (18) By deleting Articles 96 and 97 and replacing them with the following:
 - “96. For all purposes the quorum for a general meeting shall be two members present in person or by proxy (or in the case of a corporation, by its duly authorised representative) provided always that if the Company has only one member of record the quorum shall be that one member present in person or by proxy. No business (except the appointment of a Chairman) shall be transacted at any general meeting unless the requisite quorum shall be present at the commencement of the business.

Notice of Annual General Meeting

97. If within 15 minutes from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved, but in any other case it shall stand adjourned to such other day (not being less than seven nor more than twenty-eight days thereafter) and at such time and place as shall be decided by the Chairman, and if at such adjourned meeting a quorum is not present within 15 minutes from the time appointed for holding the meeting, the member or members present in person or by proxy (or in the case of a corporation, by its duly authorised representative) shall be a quorum and may transact the business for which the meeting was called.”

(19) By deleting Articles 100 to 105 inclusive and replacing them with the following:

- “100 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 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 duly demanded. A poll may be demanded by:

- (a) the Chairman of the meeting; or
- (b) at least five members present in person or by proxy and entitled to vote; or
- (c) any member or members present in person or by proxy (or in the case of a corporation, by its duly authorised representative) and representing in the aggregate not less than one-tenth of the total voting rights of all members having the right to attend and vote at the meeting; or
- (d) any member or members present in person or by proxy (or in the case of a corporation, by its duly authorised representative) and holding shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

101. Unless a poll is so required or demanded and, in the latter case, the demand is not withdrawn, a declaration by the Chairman that a resolution has on a show of hands been carried unanimously or by a particular majority, or lost, and an entry to that effect in the Company’s book containing the minutes of proceedings of meetings of the Company shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

102. If a poll is required or demanded as aforesaid, it shall (subject as provided in Article 104) be taken in such manner (including the use of ballot or voting papers or tickets) and at the meeting or at such time and place, not being more than 30 days from the date of the meeting or adjourned meeting at which the poll was required or demanded as the Chairman directs. No notice need be given of a poll not taken immediately. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was required or demanded. The demand for a poll may be withdrawn, with the consent of the Chairman, at any time before the close of the meeting at which the poll was demanded or the taking of the poll, whichever is earlier.
103. The requirement or demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than that upon which a poll has been demanded.
104. Any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment shall be taken at the meeting and without adjournment.
105. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is required or demanded, shall be entitled to a second or casting vote.”
- (20) By re-numbering Article 107 as Article 107(a) and adding the following as the new Article 107(b) immediately after Article 107(a):
- “107(b). Where any member is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting for or 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.”
- (21) By deleting the last sentence of Article 120 and replacing it with the following:
- “120. A person so authorised pursuant to this provision shall be entitled to exercise the same powers on behalf of the recognised clearing house (or its nominee) which he represents as that recognised clearing house (or its nominee) could exercise if such person were an individual member of the Company holding the number and class of shares specified in such authorisation, including the right to vote individually on a show of hands, notwithstanding any contrary provision contained in these Articles.”

Notice of Annual General Meeting

(22) By deleting Article 129 and replacing it with the following:

“129. A Director need not hold any qualification shares. No Director shall be required to vacate office or retire or be ineligible for reelection or reappointment as a Director and no person shall be ineligible for appointment as a Director by reason only of his having attained any particular age.”

(23) By deleting Article 139 and replacing it with the following:

“139. A Director shall not be entitled to vote on (nor shall be counted in the quorum in relation to) any resolution of the Board in respect of any contract or arrangement or any other proposal whatsoever in which he or any of his Associates has any material interest, and if he shall do so his vote shall not be counted (nor is he to be counted in the quorum for the resolution), but this prohibition shall not apply to any of the following matters, namely:

- (a) the giving of any security or indemnity either:
 - (i) to the Director or his Associates 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
 - (ii) 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 Associates 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; or
- (b) 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 Associates is/are or is/are to be interested as a participant in the underwriting or sub underwriting of the offer; or

- (c) any proposal concerning any other company in which the Director or his Associates is/are interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the Director is beneficially interested in the shares of that company, provided that, the Director and any of his Associates are not in aggregate beneficially interested in five 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 any of his Associates is derived) or of the voting rights; or
 - (d) any proposal or arrangement concerning the benefit of employees of the Company or any of its subsidiaries including:
 - (i) the adoption, modification or operation of any employees' share scheme or any share incentive scheme or share option scheme under which the Director or his Associates may benefit; and
 - (ii) the adoption, modification or operation of a pension or provident fund or retirement, death or disability benefits scheme which relates both to Directors, their Associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or his Associates, as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and
 - (e) any contract or arrangement in which the Director or his Associates is/are is 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.”
- (24) By deleting the words “of the Company” after the words “the other Directors” in the second line of Article 145.
- (25) By deleting the words “(as defined in Article 142 above)” in Article 149(a).

Notice of Annual General Meeting

(26) By deleting Article 161 and replacing it with the following:

“161. No person other than a retiring Director shall, unless recommended by the Board, be eligible for election to the office of Director at any general meeting unless, during the period commencing no earlier than the day after the despatch of the notice of the meeting appointed for such election and ending no later than seven days prior to the date of such meeting, there has been given to the Secretary notice in writing by a member of the Company (not being the person to be proposed), entitled to attend and vote at the meeting for which such notice is given, of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected.”

(27) By deleting Article 170 and replacing it with the following:

“170. The Board may delegate any of its powers to committees consisting of such member or members of the Board (including alternate Directors in the absence of their appointers) as the Board thinks fit, and it may from time to time revoke such delegation or revoke the appointment of and discharge any committees either wholly or in part, and either as to persons or purposes, but every committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed upon it by the Board.”

(28) By deleting the word “any” after the word “and” in Article 173(b).

(29) By deleting Article 214(d) and replacing it with the following:

“214(d). upon expiry of the 12 year period, the Company has caused an advertisement to be published in the newspapers, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as herein provided, giving notice of its intention to sell such shares, and a period of three months has elapsed since such advertisement and the Exchange has been notified of such intention.”

- (30) By adding the following paragraph at the end of Article 217:

“Notwithstanding any provision contained in these Articles, the Directors may, if permitted by applicable law, authorise the destruction of any documents referred to in this Article or any other documents in relation to share registration which have been microfilmed or electronically stored by the Company or by the share registrar on its behalf provided always that this Article shall apply only to the destruction of a document in good faith and without express notice to the Company that the preservation of such document might be relevant to a claim.”

- (31) By deleting Article 223, renumbering it as Article 223(a) and adding a new Article 223(a) as follows:

“223(a). Copies of those documents to be laid before the members of the Company at an annual general meeting shall not less than 21 days before the date of the meeting be sent in the manner in which notices may be served by the Company as provided herein to every member of the Company and every holder of debentures of the Company, provided that the Company shall not be required to send printed copies of those documents to any person of whose address the Company is not aware or to more than one of the joint holders of any shares or debentures.

- (32) By adding a new Article 223(b) as follows:

223(b). To the extent permitted by and subject to due compliance with these Articles, the Law and all applicable rules and regulations, including, without limitation, the rules of the Exchange, and to obtaining all necessary consents, if any required thereunder, the requirements of Article 223(a) shall be deemed satisfied in relation to any member or any holder of debentures of the Company by sending to such person instead of such copies, not less than 21 days before the date of the annual general meeting, in any manner not prohibited by these Articles and the Law, a summary financial statement derived from the Company’s annual accounts, together with the Directors’ report and the Auditor’s report on such accounts, which shall be in the form and containing the information required by these Articles, the Law and all applicable laws and regulations, provided that any person who is otherwise entitled to the annual accounts of the Company, together with the Director’s report and the Auditor’s 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 the summary financial statement, a complete printed copy of the Company’s annual accounts, together with the Director’s report and the Auditor’s report thereon.”

Notice of Annual General Meeting

(33) By deleting Article 227 and replacing it with the following:

“227. Except as otherwise provided in these Articles, any notice or document may be served by the Company and any notices may be served by the Board on any member either personally or by sending it through the post in a prepaid letter addressed to such member at his registered address as appearing in the register or, to the extent permitted by the Listing Rules and all applicable laws and regulations, by electronic means by transmitting it to any electronic number or address or website supplied by the member to the Company or by placing it on the Company’s Website provided that the Company has obtained the member’s prior express positive confirmation in writing to receive or otherwise have made available to him notices and documents to be given or issued to him by the Company by such electronic means, or (in the case of notice) by advertisement published in the newspapers. In the case of joint holders of a share, all notices shall be given to that holder for the time being whose name stands first in the register and notice so given shall be sufficient notice to all the joint holders.”

(34) By deleting Article 230 and replacing it with the following:

“230. A member shall be entitled to have notice served on him at any address within Hong Kong. Any member who has not given an express positive confirmation in writing to the Company to receive or otherwise have made available to him notices and documents to be given or issued to him by the Company by electronic means and whose registered address is outside Hong Kong may notify the Company in writing of an address in Hong Kong which for the purpose of service of notice shall be deemed to be his registered address. A member who has no registered address in Hong Kong shall be deemed to have received any notice which shall have been displayed at the transfer office and shall have remained there for a period of 24 hours and such notice shall be deemed to have been received by such member on the day following that on which it shall have been first so displayed, provided that, without prejudice to the other provisions of these Articles, nothing in this Article 230 shall be construed as prohibiting the Company from sending, or entitling the Company not to send, notices or other documents of the Company to any member whose registered address is outside Hong Kong.”

Notice of Annual General Meeting

- (35) By inserting the following sentence at the end of Article 231:

“Any notice given by electronic means as provided herein shall be deemed to have been served and delivered on the day following that on which it is successfully transmitted or at such later time as may be prescribed by the Listing Rules or any applicable laws of regulations.”

- (36) By deleting the words “by post or left at the registered office of” as they appear in the first line of Article 234 and replacing them with “to”.

- (37) By deleting Article 235 and replacing it with the following:

“235. The signature to any notice to be given by the Company may be written or printed by means of facsimile or, where relevant, by Electronic Signature.”

By Order of the Board
Chu Kin Wang, Peleus
Company Secretary

Hong Kong, 28th April, 2004

Notice of Annual General Meeting

Notes:

1. Any member of the company 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 proxy form, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be lodged with the principal place of business of the Company in Hong Kong at 11th Floor, Ying Kong Mansion, 2-6 Yee Wo Street, Causeway Bay, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.