

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Annual General Meeting of shareholders of the Company will be held at 2/F, Cypress Room, Novotel Century Harbourview, 508 Queen's Road West, Western District, Hong Kong on Friday, 6 August 2004 at 10:00 a.m. for the following purposes:

1. To receive and consider the audited financial statements and the reports of the directors and auditors for the year ended 29 February 2004.
2. To re-elect directors and to fix the directors' fees.
3. To appoint auditors and to authorise the directors to fix their remuneration.
4. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

**"THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to purchase shares of HK\$0.50 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
  - (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 Companies Ordinance to be held; or
    - (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting."
5. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

**"THAT:**

- (a) subject to paragraph (c) below, the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company pursuant to Section 57B of the Companies Ordinance and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;

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- (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers at any time during or after the Relevant Period;
- (c) the total 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 paragraph (a) above, otherwise than pursuant to: (i) a Rights Issue; or (ii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole part of a dividend on shares of the Company in accordance with the Memorandum and Articles of Association of the Company; or (iii) the exercise of subscription rights under the Share Option Scheme of the Company should not exceed 20% 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
- (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 Companies Ordinance to be held; or
  - (iii) the revocation or variation of the authority given under 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 of the Company to holders of shares on the Register of Members on a fixed record date in proportion to their holdings of shares (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlement or having regard to any restrictions and obligations under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in any territory outside Hong Kong)."

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

**"THAT** the general mandate granted to the directors of the Company and for the time being in force to exercise the powers of the Company to allot shares and to make or grant offers, agreements and options which might require the exercise of such powers, be and is hereby extended by the addition to the total nominal amount of share capital which may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to such general mandate of 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 the exercise by the directors of the Company of the powers of the Company to purchase such shares, 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."

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7. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as a special resolution:

**“THAT** the Articles of Association of the Company be altered in the following manner:

- (A) by adding the following definition in Article 1 immediately after the definition “the Articles” or “these presents”:

“Associates” has the same meaning as that set out in Rule 1.01 of the Listing Rules;

- (B) by adding the following new definition in Article 1 immediately after the definition “capital”:

“Clearing house” means a recognised clearing house within the meaning as set out in Part 1 of Schedule 1 to the Securities and Futures Ordinance (Chapter 571) as modified from time to time;

- (C) by adding the following new definition in Article 1 immediately after the definition “in writing” or “written”:

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

- (D) by adding the following new definition in Article 1 immediately after the definition “share”:

“special notice” in relation to a resolution shall have the meaning ascribed thereto in Section 116C of the Ordinance;

- (E) by deleting the words “twenty-one days” in the third line of Article 11(A) and substituting therefor the words “the relevant time limit as required by the Ordinance or other codes, rules and regulations as may be prescribed by any applicable regulatory authority from time to time, whichever is shorter,” immediately after the words “payment within”;

- (F) by deleting the words “and may be under hand only” in the third line of Article 40(A);

- (G) by deleting Article 40(B) in its entirety and substituting the following new article therefor:

40(B) The instrument of transfer shall be in writing and executed by or on behalf of the transferor and by or on behalf of the transferee, and shall be executed with a manual signature or machine imprinted signature by or on behalf of the transferor or transferee PROVIDED that in the case of execution by machine printed signature by or on behalf of the transferor or transferee, the Company shall have previously been provided with a list of specimen signatures of the authorized signatories of such transferor and the Board shall be reasonably satisfied that such machine imprinted signature corresponds to one of those specimen signatures.”;

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(H) by adding in the third line of Article 68 the words “is required by the Listing Rules or” immediately after the words “unless a poll”;

(I) by deleting in the first line of the last paragraph of Article 68 the words “demanded and” and substituting therefor the words “required under the Listing Rules or duly demanded and in the latter case,” immediately after the words “Unless a poll is so”;

(J) by adding the following new article 77A immediately after Article 77:

77A 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.

(K) by renumbering Article 85 in its entirety as new Article 85(A) and adding at the end of the new Article 85(A) the words “and where a corporation is so represented, it shall be treated as being present at any meeting in person. References in these Articles to a member present in person a meeting shall, unless the context otherwise requires, include a corporation which is a member at the meeting by such duly authorized representative”;

(L) by adding immediately after the new Article 85(A) the following new Article:

85(B) If a clearing house (or its nominee(s)) is a member of the Company, it may authorise or appoint such person(s) as it thinks fit to act as its representative(s) or proxy(ies) at any meeting of the Company or at any meeting of any class of members of the Company provided that, if more than one person is so authorised or appointed, the authorisation or instrument of proxy shall specify the number and class of shares in respect of which each such person is so authorised or appointed. A person so authorised or appointed under the provisions of this Article shall be entitled to exercise the same powers on behalf of the clearing house (or its nominee(s)) which he represents as that clearing house (or its nominee(s)) could exercise as if such person were an individual member of the Company including, where applicable, the right to vote individually on a show of hands notwithstanding any contrary provisions contained in these Articles.

(M) by deleting Article 88 in its entirety and substituting the following new Article therefor:

88(A) No person, other than a Director retiring at the meeting, shall, unless recommended by the Directors for election, be eligible for appointment as a Director at any General Meeting unless 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 that person for election as a Director and also notice in writing signed by that person of his willingness to be elected as a Director shall have been lodged with the Secretary during such period as may from time to time be designated by the Company.

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- (B) The period for lodgment of the said notice(s) referred to in paragraph (A) above shall be a period of not less than 7 days, which shall commence no earlier than the day after the despatch of the notice of meeting appointed for such election and end no later than 7 days prior to the date of such meeting.
- (C) For the avoidance of doubt, paragraph (B) above applies for the purposes of calculating the minimum 7-day notice period and it does not prevent the Company from accepting the notices referred to in paragraph (A) above earlier than the time when the notice of the meeting referred to in paragraph (B) above is despatched.
- (N) by deleting Article 89 in its entirety and substituting the following new Article therefor:
- 89 The Company may by Ordinary Resolution remove any 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 breach of any such agreement). Special notice is required of a resolution to remove a Director, or to appoint somebody in place of a Director so removed at the meeting at which he is removed, in accordance with the Ordinance. Any person so elected and appointed to fill the vacancy of a removed Director shall be treated for the purpose of determining the time at which he or any other Director is to retire by rotation as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director. In default of such appointment the vacancy arising upon the removal of a Director from office may be filled as a casual vacancy.
- (O) by deleting the word "special" in the first line of Article 98(ix) and substituting therefor the word "ordinary" immediately after the words "by a";
- (P) by adding in the fifth line of Article 99 the words "or such other manner of rotation as may be required by the Listing Rules or other codes, rules and regulations as may be prescribed by the applicable regulatory authority from time to time" immediately after the words "nearest to one-third" and deleting in the fifth line the words "notwithstanding anything herein" and substituting therefor the words "to the extent permitted under the Listing Rules or the aforementioned codes, rules and regulations";
- (Q) by deleting in the first line of Article 112(C) the words "in respect of" and substituting therefor the words "(nor be counted in the quorum) on any resolution of the Board approving" immediately after the words "entitled to vote"; and adding the words "or any of his associates" in the second line and fourth line immediately after the words "which he" and "such Director" respectively;
- (R) by deleting Article 112(C)(i)(a) in its entirety and substituting therefor the following new Article 112(C)(i)(a):
- Article 112(C)(i)(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;

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- (S) by adding in the second line of Article 112(C)(i)(b) the words "or any of its subsidiaries" immediately after the words "the Company", adding in the third line the words "or his associate(s)" immediately after the word "Director" and in the fourth line the words "and whether alone or jointly" immediately after the words "in part";
- (T) by adding in the third line of Article 112(C)(ii) the words "or any other company which the Company may promote or be interested in" immediately after the words "the Company"; adding in the fourth line the words "or his associate(s)" immediately after the word "Director"; and by adding in the fourth line the words "/are" after the word "is" each time it appears;
- (U) by deleting Article 112(C)(iii) in its entirety and substituting therefor the following new Article:
- 112(C)(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, 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 associate are, not in aggregate beneficially interested in five per cent. or more of the issued shares of any class of such company (or any third company through which his interest or that of his associates is derived) or of the voting rights;
- (V) by deleting Article 112(C)(iv) in its entirety and substituting therefor the following new Article:
- Article 112(C)(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 under which the director 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 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
- (W) by adding the following new Article:
- Article 112(C)(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.

For the purpose of this Article 112(C), "subsidiary" shall have the meaning as defined in Rule 1.01 of the Listing Rules.

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- (X) by deleting in the eighth line of Article 177(A) the words "in paragraph (c) of the proviso to section 165" immediately after the words "mentioned in" and substituting therefor the words "Section 165(2)";
- (Y) by deleting in the first line of Article 177(C) the words "section 165 of" and substituting therefor the words "the provisions of and so far as may be permitted by" immediately after the words "Subject to".

By order of the Board  
**John K K MA**  
*Secretary and Executive Director*

Hong Kong, 24 June 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 instead of him. A proxy need not be a member of the Company.
2. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, must be lodged with the Company's Share Registrars, Tengis Limited, G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, not less than 48 hours before the time fixed for holding the meeting or any adjournment thereof. Completion and return of a proxy form will not preclude a member from attending the meeting and voting in person.
3. Concerning item 4 above, the Directors will exercise the powers conferred thereby to repurchase shares of the Company in circumstances which they deem appropriate for the benefits of the shareholders.
4. Concerning item 5 above, approval is being sought from the members for a general mandate to authorise allotment of shares under Section 57B of the Companies Ordinance and the Listing Rules. The directors have no immediate plan to issue any new shares of the Company other than shares to be issued pursuant to the Company's Share Option Scheme for employees.
5. Concerning item 6 above, approval is being sought to increase the number of shares which the Directors may issue under their general mandate by the number of any shares repurchased during the Relevant Period.
6. Concerning item 7 above, the special resolution is mainly to facilitate the compliance with the recent changes to the Rules Governing the Listing of Securities on the Stock Exchange and the Companies Ordinance.
7. A circular that serves as an explanatory statement containing further details as regarding items 3 to 6 above will be sent to members together with the 2004 Annual Report.
8. As at the date of this notice, Mr. Walter K.W. Ma is Chairman and Executive Director of the Company, Mr. Philip K.H. Ma is Group Managing Director and Executive Director of the Company, Mr. John K.K. Ma is Secretary and Executive Director of the Company, Mr. King Wing Ma, Mr. Eric K.K. Lo and Mr. Charles M.W. Chan are independent non-executive directors of the Company.