



NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a Special General Meeting of the Company will be held at the Ballroom, 1st Floor, Harbour Plaza Hong Kong, 20 Tak Fung Street, Hung Hom, Kowloon, Hong Kong on Thursday, 13th May, 2004 at 2:30 p.m. (or immediately after the conclusion or adjournment of the Annual General Meeting of the Company to be held on the same day) for the purpose of considering and, if thought fit, passing, with or without modification, the following resolution as a special resolution of the Company:

SPECIAL RESOLUTION

“That the existing Bye-laws of the Company be and are hereby amended in the following manner:

(a) By adding the following definition in Bye-law 1 immediately after the definition of “Act”:

““associate” the meaning attributed to it in Rule 1.01 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.”

(b) By deleting the words “a recognised clearing house within the meaning of Section 2 of the Securities and Futures (Clearing Houses) Ordinance of Hong Kong or” from the definition of “clearing house” in Bye-law 1 and substituting therefor the words “a recognised clearing house within the meaning of Part 1 of Schedule 1 to the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong) and any amendments thereto for the time being in force or”

(c) By re-numbering existing Bye-law 76 as Bye-law 76(1) and adding the following new Bye-law 76(2) immediately thereafter:

“(2) Where any Member is, under the rules of the Designated Stock Exchange, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such Member in contravention of such requirement or restriction shall not be counted.”

(d) By re-numbering existing Bye-law 84(2) as Bye-law 84(3) and adding the following new Bye-law 84(2) immediately before the re-numbered Bye-law 84(3):

“(2) Where a Member is a clearing house (or its nominee(s) and, in each case, being a corporation), it may authorise or appoint such persons as it thinks fit to act as its representatives or proxies at any meeting of the Company or at any meeting of any class of Members provided that 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. Each person so authorised or appointed under the provisions of this Bye-law shall be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as if such person was an individual registered holder of the shares of the Company held by the clearing house (or its nominee(s)) in respect of the number and class of shares specified in the relevant authorization or instrument of proxy including the right to vote individually on a show of hands notwithstanding any contrary provisions contained in these Articles.”

(e) By deleting the word “special” in the second line in Bye-law 86(4) and substituting therefor the word “ordinary”.

(f) By deleting the existing Bye-law 87(1) in its entirety and substituting therefor the following:

“87. (1) Notwithstanding any other provisions in the Bye-laws, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not greater than one-third) or such other manner of rotation as may be from time to time required by the applicable regulatory authority shall retire from office by rotation.”

(g) By deleting the words “not later than the latest date for lodgement of the aforesaid Notices which shall be the seventh (7th) day prior to the date appointed for the meeting” from the existing Bye-law 88 and substituting therefor the following:

“provided that the minimum length of the period, during which such Notice(s) may be given, shall be at least seven (7) days and that the period for lodgment of such Notice(s) shall commence no earlier than the day after the dispatch 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”

(h) By deleting the existing Bye-law 103 in its entirety and substituting therefor the following:

“103. (1) A Director shall not vote (nor be counted in the quorum) on any resolution of the Board approving any contract or arrangement or any other proposal in which he or any of his associate(s) is materially interested, and if he shall do so his vote shall not be counted and he shall not be counted in the quorum of such resolution of the Board but this prohibition shall not apply to any of the following matters namely:

- (i) any contract or arrangement for the giving by the Company or any of its subsidiaries of any security or indemnity to the Director or his associate(s) in respect of money lent by him or any of them or obligations incurred or undertaken by him or any of his associate(s) at the request of or for the benefit of the Company or any of its subsidiaries;
- (ii) any contract or arrangement for the giving by the Company or any of its subsidiaries of any security or indemnity 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 whether alone or jointly under a guarantee or indemnity or by the giving of security;

- (iii) any contract or arrangement by a Director or his associate(s) to subscribe for shares or debentures or other securities of the Company or any of its subsidiaries to be issued pursuant to any offer or invitation to the members or debenture holders or to the public which does not provide the Director or his associate(s) any privilege not accorded to any other members or debenture holders or to the public;
- (iv) any contract, arrangement or proposal concerning an offer of the shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase where the Director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (v) any contract or arrangement in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company or any of its subsidiaries by virtue only of his/their interest in shares or debentures or other securities of the Company or any of its subsidiaries;
- (vi) any contract, arrangement or proposal concerning any company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer, executive or a 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(s) do not in aggregate own five (5) per cent. or more of such company, within the meaning as described in Bye-law 103(2);
- (vii) any proposal or arrangement for the benefit of employees of the Company or its subsidiaries or its associated companies including the adoption, modification or operation of a pension fund or retirement, death or disability benefit scheme which relates both to directors (or their associates) and employees of the Company or of any of its subsidiaries or its associated companies and does not give the Director, or his associate(s), as such any privilege or advantage not generally accorded to the employees to whom such scheme or fund relates; or
- (viii) any proposal concerning the adoption, modification or operation of any share scheme involving the issue or grant of options over shares or other securities by the Company to, or for the benefit of the employees of the Company or its subsidiaries or its associated companies under which the Director or his associate(s) may benefit.

For the purposes of this Bye-law 103(1), “subsidiary” shall have the meaning as defined in Rule 1.01 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

(2) A company shall be deemed to be a company in which a Director and any of his associate(s) in aggregate own five (5) per cent. or more if and so long as (but only if and so long as) a Director and his associate(s), (either directly or indirectly) are in aggregate the holders of or beneficially interested in five (5) per cent. or more of the issued shares 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/their interest is derived). For the purpose of this paragraph there shall be disregarded any shares held by a Director or any of his associate(s) as bare or custodian trustee and in which he has no beneficial interest, any shares comprised in a trust in which the interest of the Director or any of his associate(s) is in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust scheme in which the Director or his associate(s) is 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.

(3) Where a company in which a Director and any of his associate(s) in aggregate own five (5) per cent. or more (within the meaning as described in Bye-law 103(2)) is materially interested in a transaction, then that Director shall also be deemed materially interested in such transaction.

(4) If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director or his associate(s) (other than the chairman of the meeting) or as to the entitlement of any Director (other than such chairman) to vote or be counted in the quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, such question shall be referred to the chairman of the meeting and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director concerned and of his associate(s) as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the chairman of the meeting such question shall be decided by a resolution of the Board (for which purpose such chairman shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman and of his associate(s) as known to such chairman has not been fairly disclosed to the Board.

(5) The Company may by ordinary resolution ratify any transaction not duly authorised by reason of a contravention of this Bye-law provided that no Director who is or whose associate(s) is/are materially interested in such transaction shall vote upon such ordinary resolution in respect of any shares in the Company in which he/they is/are interested.” ”

By Order of the Board

Eirene Yeung

Company Secretary

Hong Kong, 9th March, 2004

Notes:

1. At the Special General Meeting, the Chairman of the Meeting will exercise his power under the Company's Bye-law 66 to put the above resolution to the vote by way of a poll.
2. Any member entitled to attend and vote at the Meeting convened by the above notice is entitled to appoint a proxy to attend and vote in his stead. Any such member who is a holder of two or more shares may appoint more than one proxy to attend and vote in his stead. A proxy need not be a member of the Company.
3. The Directors wish to state that the above proposed Special Resolution is mainly to facilitate the flexibility under the recent amendments of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Companies Ordinance.
4. The translation into Chinese language of this notice (including the Special Resolution which contains the proposed new Bye-laws) is for reference only. In case of any inconsistency, the English version shall prevail.

Please also refer to the published version of this announcement in The Standard dated 10/3/2004.