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**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this document or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Jinhui Holdings Company Limited, you should at once hand this document and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**JINHUI HOLDINGS COMPANY LIMITED**

*(Incorporated in Hong Kong with limited liability)*

(Stock Code: 137)

**PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION,  
GENERAL MANDATES TO ISSUE NEW SHARES  
AND TO REPURCHASE SHARES  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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The notice dated 13 April 2004 convening the annual general meeting of Jinhui Holdings Company Limited to be held at Caine Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Monday, 21 June 2004 at 9:30 a.m. is reproduced on pages 8 to 15 of this document for information only. Whether or not you are able to attend the meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or at any adjourned meeting should you so desire.

14 April 2004

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## DEFINITIONS

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*In this document, unless the context otherwise requires, the following expressions have the following meanings:*

“AGM”	the annual general meeting of the Company to be convened at Caine Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Monday, 21 June 2004 at 9:30 a.m.
“Articles of Association”	Means the articles of association of the Company
“Board”	the board of directors of the Company
“Code”	The Hong Kong Code on Takeovers and Mergers
“Company”	Jinhui Holdings Company Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“Fairline”	Fairline Consultants Limited, a limited liability company incorporated in the British Virgin Islands
“Latest Practicable Date”	7 April 2004, being the latest practicable date prior to the printing of this document for the purpose of ascertaining certain information for inclusion in this document
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Notice”	the notice convening the AGM
“Share(s)”	Ordinary share(s) of HK\$1.00 each in the capital of the Company
“Shareholder(s)”	Holder(s) of share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars

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## LETTER FROM THE BOARD

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# JINHUI HOLDINGS COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 137)

*Directors:*

Ng Siu Fai (*Chairman*)  
Ng Kam Wah Thomas (*Managing Director*)  
Ng Ki Hung Frankie  
Ho Suk Lin  
Ho Kin Lung\*  
So Wing Hung Peter\*  
Cui Jian Hua \*\*  
Tsui Che Yin Frank\*\*

*Registered office:*

26th Floor  
Yardley Commercial Building  
1-6 Connaught Road West  
Hong Kong

\* *Non-executive director*

\*\* *Independent non-executive director*

14 April 2004

*To the Shareholders*

Dear Sir or Madam,

**PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION,  
GENERAL MANDATES TO ISSUE NEW SHARES  
AND TO REPURCHASE SHARES  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

### INTRODUCTION

The purpose of this letter is to give Shareholders notice of the AGM at which the necessary resolutions will be proposed to consider and, if thought fit, approve the amendments to the Articles of Association and the granting of the general mandates to issue and repurchase the Shares.

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## LETTER FROM THE BOARD

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### GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

At the AGM, separate ordinary resolutions will be proposed to seek the approval of the Shareholders to grant to the Directors general mandates to:

- (i) allot and issue, subject to the criteria set out in the Notice, Shares up to a maximum of 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the resolution and to allot and issue further Shares repurchased by the Company pursuant to the repurchase mandate referred to in (ii) below; and
- (ii) repurchase, subject to the criteria set out in the Notice, Shares up to a maximum of 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the resolution.

A statement explaining the proposed general mandate to repurchase Shares is set out in the Explanatory Statement in Appendix I to this document in accordance with the Listing Rules in respect of a repurchase of securities by a company with its primary listing on the Stock Exchange.

### AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Subsequent to the Companies (Amendment) Ordinance 2003 becoming effective on 13 February 2004, the Directors consider that amendments should be made to the Articles of Association to bring them in line with the legislative change.

In addition, The Stock Exchange has revised the Listing Rules based on the results of the Consultation Conclusions on Proposed Amendments to the Listing Rules Relating to Corporate Governance Issues issued in January 2003. In order to comply with the revised Listing Rules which became effective on 31 March 2004, the Directors consider that changes to the Articles of Association should also be made in line with the changes required under the revised Listing Rules.

A brief background to the proposed amendments to the Articles of Association of the Company is set out as follows:

- (i) Article 1(1) To amend the definition of “associate” in line with the revised Listing Rules, and to delete reference to the repealed Securities (Disclosure of Interests) Ordinance.
- (ii) Article 1(6) To add enabling provisions in the Articles of Association to permit electronic communication in the light of the Companies (Amendment) Ordinance.
- (iii) Article 27A To stipulate the time limit for issuance of share certificates in accordance with the Companies (Amendment) Ordinance.
- (iv) Article 69A To be consistent with the provisions of the revised Listing Rules which require votes cast by or on behalf of shareholders who are in contravention of the voting restrictions under the Listing Rules shall not be counted.

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## LETTER FROM THE BOARD

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- (v) Article 86 To clarify the liability of an alternate Director and his relationship with the Director appointing such alternate Director in the light of the Companies (Amendment) Ordinance.
- (vi) Article 95(b) To be consistent with the revised Listing Rules which stipulate the minimum seven-day period for lodgement by a shareholder of the notice to nominate a director shall commence no earlier than the day after the despatch of the notice of the meeting appointed for such election and end no later than seven days before the date of such meeting.
- (vii) Article 100 To reflect that a director may be removed by an ordinary resolution instead of a special resolution in the light of the Companies (Amendment) Ordinance.
- (viii) Article 112(1) To be consistent with the revised Listing Rules so that, subject to certain exceptions, a Director shall abstain from voting at the board meeting on any matter in which he or any of his associates has a material interest nor shall he be counted towards the quorum of the relevant board meeting.
- (ix) Article 130A To allow delivery to the shareholders of the summary financial reports prepared in accordance with the Companies Ordinance in place of the relevant financial documents.
- (x) Article 134(2) To delete the reference to the repealed Securities (Disclosure of Interests) Ordinance and to substitute therefor the reference to the Securities and Futures Ordinance.
- (xi) Article 141 To amend the provision of indemnity by the Company on the liability of the Directors or other officers and to permit the purchase and maintenance of certain insurance by the Company for the Directors and other officers in the light of the Companies (Amendment) Ordinance.

### AGM

The Notice convening the AGM to be held on Monday, 21 June 2004 at 9:30 a.m. at which the above proposals will be considered is reproduced on pages 8 to 15 of this document. At the AGM, resolutions numbered 4 to 7 will be proposed to approve the amendment to the Articles of Association, renew the general mandate for the repurchase of shares and the general mandate to allot, issue and deal with additional shares.

### RECOMMENDATIONS

Having considered the reasons set out herein, the Directors consider that the amendments to the Articles of Association, the general mandates to repurchase shares and to issue new shares are in the best interests of the Company and Shareholders. Accordingly, the Board recommends that Shareholders should vote in favour of all the relevant resolutions to be proposed at the AGM.

Yours faithfully,  
For and on behalf of the Board  
**Ng Siu Fai**  
Chairman

This appendix serves as an explanatory statement as required by the Listing Rules to provide the requisite information to you for your consideration of the proposal to permit the granting of the general mandate given to the Directors to repurchase shares of the Company.

### **GENERAL MANDATE TO ISSUE NEW SHARES**

At the AGM, an ordinary resolution will be proposed that the Directors be given a general and unconditional mandate to issue new Shares up to 20% of the issued share capital and subject to the criteria in resolution 4 as set out in the Notice.

In addition, the general mandate will continue to be in force until the conclusion of the next annual general meeting of the Company or any earlier date as referred to in paragraph (d) of resolution 4 as set out in the Notice.

### **GENERAL MANDATE TO REPURCHASE SHARES**

At the AGM, an ordinary resolution will be proposed that the Directors be given a general and unconditional mandate to exercise all the powers of the Company to purchase Shares or subject to the criteria set out in this document. Shareholders should note that the authority relates only to purchases made on the Stock Exchange and otherwise in accordance with the Listing Rules.

In addition, the general mandate will continue to be in force until the conclusion of the next annual general meeting of the Company or any earlier date as referred to in paragraph (c) of resolution 5 as set out in the Notice.

### **EXERCISE OF THE REPURCHASE MANDATE**

Whilst the Directors do not presently intend to repurchase any Shares, they believe that the flexibility afforded by the mandate granted to them would be beneficial to the Company if resolution 5 as set out in the Notice (the “Repurchase Mandate”) is passed.

Subject to the criteria set out in the Notice, it is proposed that the maximum number of Shares which may be repurchased pursuant to the Repurchase Mandate will be 10% of the total nominal amount of the share capital of the Company in issue on the date of the resolution. Based on 52,624,248 Shares in issue as at the Latest Practicable Date, exercise in full of the Repurchase Mandate could result in up to 5,262,424 Shares being repurchased by the Company in the course of the period prior to the next annual general meeting of the Company or such earlier date as referred to in paragraph (c) of resolution 5 as set out in the Notice.

### **REASONS FOR REPURCHASES**

Repurchases will only be made when the Directors believe that such a repurchase will benefit the Company and its shareholders. Such repurchases may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings per share.

**FUNDING OF REPURCHASES**

Repurchases must be funded out of funds legally available for the purpose in accordance with the Articles of Association and the Companies Ordinance (Chapter 32 of the Laws of Hong Kong). Repurchases pursuant to the Repurchase Mandate would be financed entirely from the Company's available cash flow or working capital facilities. Any repurchases will be made out of funds of the Company permitted to be utilised in this connection, including profits otherwise available for distribution.

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in its most recent published audited financial statements as at 31 December 2003) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

**DISCLOSURE OF INTERESTS**

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their associates have any present intention, if the Repurchase Mandate is exercised, to sell any Shares to the Company or its subsidiaries.

No connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell any Shares to the Company or its subsidiaries or have undertaken not to do so if the Repurchase Mandate is exercised.

**DIRECTORS' UNDERTAKING**

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to repurchase Shares in accordance with the Repurchase Mandate and the Listing Rules and the applicable laws of Hong Kong.

**SHARES REPURCHASES MADE BY THE COMPANY**

No repurchases of Shares (whether on the Stock Exchange or otherwise) have been made by the Company or its subsidiaries during the six months prior to the Latest Practicable Date.

**CONSEQUENCES**

If as a result of a repurchase of Shares a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Code. As a result, a shareholder, or group of shareholders acting in concert depending on the level of increase of the shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Code.



To the best of the knowledge and belief of the Company, Fairline, the controlling shareholder of the Company, holds approximately 57.74% of the issued share capital of the Company as at the Latest Practicable Date. In the event that the Directors should exercise in full power to repurchase the shares which is proposed to be granted pursuant to general mandate on share repurchase, the shareholdings of Fairline would be increased to approximately 64.16% of the issued share capital of the Company and such increase would not give rise to an obligation to make a mandatory offer under the Code.

**MARKET PRICES**

During each of the twelve months preceding the Latest Practicable Date, the highest and lowest traded prices for Shares recorded on the Stock Exchange were as follows:

<b>Year</b>	<b>Month</b>	<b>Highest HK\$</b>	<b>Lowest HK\$</b>
2003	April	1.010	0.900
	May	1.960	0.900
	June	1.700	1.280
	July	1.610	1.230
	August	2.000	1.600
	September	2.075	1.770
	October	3.600	1.780
	November	3.400	2.800
December	4.325	3.300	
2004	January	8.200	3.900
	February	40.200	8.400
	March	33.800	22.000
	April (up to the Latest Practicable Date)	27.000	25.000

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## NOTICE OF AGM

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### JINHUI HOLDINGS COMPANY LIMITED

*(Incorporated in Hong Kong with limited liability)*

(Stock Code: 137)

**NOTICE IS HEREBY GIVEN** that the annual general meeting of Jinhui Holdings Company Limited (the “Company”) will be held at Caine Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Monday, 21 June 2004 at 9:30 a.m. for the following purposes:

1. To receive and consider the Financial Statements and the Reports of the Directors and Auditors for the year ended 31 December 2003.
2. To re-elect Directors and fix their remuneration.
3. To re-appoint Messrs. Moores Rowland Mazars as Auditors for the ensuing year and authorise the Directors to fix their remuneration.
4. To consider and, if thought fit, to pass, with or without amendments, the following resolution as an Ordinary Resolution:

#### **ORDINARY RESOLUTION**

**“THAT:**

- (a) subject to paragraph (c) and pursuant to section 57B of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong), the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such power be and it is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the 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) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (d) below); (ii) an issue of shares under any option scheme or similar arrangement for the time being adopted for the grant or

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## NOTICE OF AGM

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issue to officers and/or employees of the Company and/or any of its subsidiary companies of shares or rights to acquire shares of the Company; or (iii) the exercise of the subscription or conversion rights attaching to any warrants issued by the Company or any securities which are convertible into ordinary shares of the Company, shall 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 to the Directors in paragraph (a) above 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 (Chapter 32 of the Laws of Hong Kong) to be held; or
- (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders in general meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the Directors to the shareholders on the register on a fixed record date in proportion to their shareholdings as at that date (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 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).”

5. To consider and, if thought fit, to pass, with or without amendments, the following resolution as an Ordinary Resolution:

### ORDINARY RESOLUTION

**“THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as defined in paragraph (c) below) of all the powers of the Company to repurchase its own shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or 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 it is hereby generally and unconditionally approved;

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(b) the aggregate nominal amount of share capital repurchased by the Company pursuant to 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 to the Directors in paragraph (a) above 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 Companies Ordinance (Chapter 32 of the Laws of Hong Kong) to be held; or
- (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders in general meeting.”

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

### ORDINARY RESOLUTION

“**THAT:**

conditional upon Resolution No. 5 above being passed, the aggregate nominal amount of the number of shares in the capital of the Company which are repurchased by the Company under the authority granted to the Directors as mentioned in Resolution No. 5 above shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to Resolution No. 4 above, provided that the amount of share capital repurchased by the Company 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 the following resolution as a Special Resolution:

### SPECIAL RESOLUTION

“**THAT** the Articles of Association of the Company be amended by:

- (a) amending Article 1(1) as follows:

- (i) adding the following definition in Article 1(1):

“**associate**” has the same meaning as in the Rules Governing the Listing of Securities on the Stock Exchange;”

- (ii) deleting the definition of “**Disclosure of Interests Ordinance**” in Article 1(1) in its entirety;

- (b) amending Article 1(6) as follows:

- (i) adding the following after Article 1(6)(d) as a new Article 1(6)(e):

“(e) wherever any provision of these Articles (except a provision for the appointment of a proxy) requires that a communication as between the Company, its Directors or members be effected in writing, the requirement may be satisfied by the communication being given in the form of an electronic record if the person to whom the communication is given consents to it being given to him in that form; and”

- (ii) adding the following after Article 1(6)(e) as a new Article 1(6)(f):

“(f) wherever any provision of these Articles requires that a meeting of the Company, its Directors or members be held, the requirement may be satisfied by the meeting being held by such lawful electronic means and in such manner as may be agreed by the Company in general meeting.”

- (iii) deleting the word “and” at the end of Article 1(6)(c);

- (iv) deleting the punctuation “.” at the end of Article 1(6)(d) and substituting it with “;”; and

- (v) renumbering the Article which is immediately following Article 1(6)(f) from Article 1(6) to Article 1(7);

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- (c) adding the following after Article 27 as a new Article 27A:

“27A The Company shall, within ten business days after the date on which a transfer of any of its shares is lodged with the Company, complete and have ready for delivery the certificates of all shares so transferred, unless the conditions of issue of the shares otherwise provide. For the purpose of this Article, “business days” means any day on which the Stock Exchange is open for the business of dealing in securities, and “transfer” means a transfer duly stamped and otherwise valid, and does not include such transfer as the Company is for any reason entitled to refuse to register and does not register.”

- (d) adding the following after Article 69 as a new Article 69A:

“69A Where any member is, under the Rules Governing the Listing of Securities on the 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.”

- (e) adding the following sentence at the end of Article 86:

“The Director appointing the alternate Director shall not be vicariously liable for any tort committed by the alternate Director while acting in the capacity of an alternate Director.”

- (f) deleting the words “not less than seven nor more than thirty-five days before the date appointed for holding the meeting,” in Article 95(b) and substituting therefor the words “not earlier than the day after the despatch of the notice of the general meeting and not later than seven days prior to the date of the meeting which period shall be at least 7 days,”;

- (g) deleting the word “special” in the second line of Article 100 and substituting therefor the word “ordinary”;

- (h) deleting Article 112(1) in its entirety and substituting therefor the following:

“112. (1) Save as otherwise provided by these Articles, a Director shall not vote (nor be counted in the quorum) at a meeting of the Directors on any resolution concerning a matter in which he or any of his associates has a material interest (other than an interest in shares, debentures or other securities of, or otherwise in, the Company), unless the interest of the Director or any of his associates arises only because of the case falls within one or more of the following sub-paragraphs:

- (a) the resolution relates to the giving to him or any of his associates of a guarantee, security, or indemnity in respect of money lent to,

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or any obligation incurred by him or any of them for the benefit of, the Company or any of its subsidiaries;

- (b) the resolution relates to the giving to a third party of a guarantee, security, or indemnity in respect of an obligation of the Company or any of its subsidiaries for which the Director or any of his associates has himself/themselves assumed responsibility in whole or in part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;
  - (c) the interest of the Director or any of his associates arises by virtue of him or any of them being, or intending to become, a participant in the underwriting or sub-underwriting of an offer of any shares in or debentures or other securities of the Company or any other company which the Company may promote or be interested in for subscription or purchase;
  - (d) the resolution relates to an arrangement for the benefit of employees of the Company or any of its subsidiaries, including but without being limited to an employees' share scheme, pension fund, or retirement, death or disability benefits scheme, which does not accord to any Director or any of his associates as such any privilege or advantage not generally accorded to the employees to whom the arrangement relates; and
  - (e) the resolution relates to a transaction or arrangement with any other company in which the Director or any of his associates is interested, whether directly or indirectly, as an officer or executive or shareholder or in which the director or any of his associates is beneficially interested in shares of that company, provided that he and his associates are not in aggregate holders of or beneficially interested in five per cent of more of the issued shares of any class of that company (or of any other company through which his interest or that of his associates is derived) and not entitled to exercise five per cent or more of the voting rights available to members of the relevant company (and for the purpose of calculating the said percentage there shall be disregarded any shares held by the Director or his associates as bare or custodian trustee and in which the Director and his associates have no beneficial interest, and any shares comprised in any unit trust scheme in which the Director and his associates are interested only as a unit holder).
- (i) deleting the word "status" in the third line of Article 129 and substituting therefor the word "statutes";

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- (j) adding the following after Article 130 as a new Article 130A:

“130A Notwithstanding Article 130, the Company shall be entitled to, pursuant to a relevant notice of intent sent by the member or holder of debentures to the Company, deliver or sent by post to the member or holder of debentures of the Company a copy of a summary financial report prepared in accordance with the Ordinance in place of a copy of the documents referred to in Article 130 from which the report is derived.”

For the purpose of this Article, “summary financial report” shall have the meaning ascribed to it in the Ordinance.

- (k) deleting the words “section 18 of the Disclosure of Interests Ordinance” in Article 134(2) and substituting therefor the words “section 329 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)”; and

- (l) deleting Article 141 in its entirety and substituting therefor the following:

“141. (1) Subject to the provisions of the Ordinance, but without prejudice to any indemnity to which a Director may otherwise be entitled, every Director or other officer or auditor of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, which relate to anything done or omitted to be done by him as Director, officer or auditor of the Company and in which judgment is given in his favour or in which he is acquitted; or incurred in connection with any application in which relief is granted to him by the court.

(2) The Company may purchase and maintain for any Director, officer and auditor of the Company:

(a) insurance against any liability to the Company, a related company or any other party in respect of any negligence, default, breach of duty or breach of trust (save for fraud) of which he may be guilty in relation to the Company or a related company; and

(b) insurance against any liability incurred by him in defending any proceedings, whether civil or criminal, taken against him for any negligence, default, breach of duty or breach of trust (including fraud) of which he may be guilty in relation to the Company or a related company.

For the purpose of this Article, “related company” means any company that is the Company’s subsidiary or holding company or a subsidiary of that holding company.”



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8. To transact such other business as may properly be transacted at an annual general meeting.

By Order of the Board  
**Ho Suk Lin**  
*Company Secretary*

Hong Kong, 13 April 2004

*Notes:*

1. A member entitled to attend and vote at the above meeting may appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a member of the Company.
2. In order to be valid, the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notially certified copy of that power or authority, must be lodged at the registered office of the Company at 26th Floor, Yardley Commercial Building, 1-6 Connaught Road West, Hong Kong not less than 48 hours before the time appointed for holding the above meeting and any adjourned meeting.
3. The register of members of the Company will be closed from 17 June 2004 to 21 June 2004, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for voting at the meeting, shareholders should ensure that they are registered as members of the Company on 16 June 2004.
4. A circular containing further details on resolutions 4 to 6 above will be sent to members together with the annual report.