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## Compass Pacific Holdings Limited 圓通科技控股有限公司\*

*(Incorporated in Bermuda with limited liability)*

### ANNOUNCEMENT

On 18 October 2002 (Bermuda time), the Supreme Court of Bermuda has granted an injunction order to the Company restraining the Requisitionists from holding the Special General Meeting.

**Shareholders should note that the Special General Meeting will not be held or convened at 10:00 a.m. on Wednesday, 23 October 2002 as set out in the Notice.**

The Directors have been verbally informed today at a meeting of the board of directors of Shanghai Shenhua that on 18 October 2002, the Procuratorate of Liaoning Province (遼寧省檢察院) has approved the arrest of Mr. Yeung, the Chairman, for suspected involvement in economic crimes.

Trading in the shares of the Company has been suspended since 9:30 a.m. on Friday, 4 October 2002 and will remain suspended pending further announcement on certain price sensitive information.

### REQUISITION BY SHAREHOLDERS FOR CONVENING A SPECIAL GENERAL MEETING

On 3 September 2002, the Company received, by facsimile, a requisition purportedly signed by the Requisitionists, requesting for the convening of a special general meeting to consider passing of resolutions in respect of the matters set out in the Notice. At a meeting of the Board held on 3 September 2002, it was resolved that legal advice would be sought as to the appropriate course of action to be taken by the Company in relation to the Requisition.

On 23 September 2002, the Company's principal place of business in Hong Kong received the original of the Requisition. However, the Company was informed that the registered office of the Company in Bermuda received the original of the Requisition on 1 October 2002 (Bermuda time).

On 2 October 2002, the Company received a facsimile attaching a notice of special general meeting purportedly signed by DWD and dated 30 September 2002 under the requisition dated 3 September 2002.

According to the register of members of the Company, DWD is the controlling shareholder of the Company, which as at the date of this announcement is interested in approximately 49.88% of the issued share capital of the Company.

The Notice was given in relation to the convening of a special general meeting of the Company at 10:00 a.m. on 23 October 2002 at the offices of Stikeman Elliott at Suite 1103, Aon China Building, 29 Queen's Road Central, Hong Kong for the purpose of considering resolutions in respect of the following matters :

1. the fixing of the maximum number of directors of the Company;
2. the proposed election of such person as proposed by DWD at the Special General Meeting as directors of the Company;
3. in the event, resolutions for 1 and 2 above are not approved at the Special General Meeting, the revocation of the general mandate granted to the Directors to issue and allot new shares at the annual general meeting of the Company held on 3 June 2002;
4. the removal of Mr. Ng Siu On, Mr. So Keung, Mr. Hong Xing, Mr. Ho To, Mr. Yang Maozeng and Mr. Sun Tung, all of whom are presently Directors, as directors of the Company.

On 18 October 2002 (Bermuda time), the Supreme Court of Bermuda has granted an injunction order (“Order”) to the Company restraining the Requisitionist from holding the Special General Meeting. The Order has been served on the Requisitionists on 21 October 2002. An amended Writ of Summons in respect of the validity of the Requisition has been submitted to the Supreme Court for consideration and when issued will be duly served on the Requisitionists. If the Requisitionists fail to enter an appearance before the Court, the Company will request a judgment in terms of the writ regarding the validity of the Requisition.

**Shareholders should note that the Special General Meeting will not be held or convened at 10:00 a.m. on Wednesday, 23 October 2002 at the offices of Stikeman Elliott at Suites 1103, Aon China Building, 29 Queen’s Road Central, Hong Kong to consider the matters set out in the Notice.**

#### **APPROVAL OF ARREST OF MR. YEUNG**

The Directors have been verbally informed today at a meeting of the board of directors of Shanghai Shenhua Holdings Co., Ltd. (上海申華控股股份有限公司) (“Shanghai Shenhua”) that Shanghai Shenhua was verbally informed by the Public Security Bureau of Liaoning Province (遼寧省公安廳) on 21 October 2002 that on 18 October 2002, the Procuratorate of Liaoning Province (遼寧省檢察院) has approved the arrest of Mr. Yeung, the Chairman, for suspected involvement in economic crimes.

According to the records of the Company, Mr. Yeung is interested in 80% of the share capital of DWD Foundation which wholly owns DWD, which is interested in approximately 49.88% of the issued share capital of the Company.

Shanghai Shenhua is a A-share company listed on the Shanghai Stock Exchange and is not related to the Company except that Mr. Yeung, Mr. Ng Siu On, Mr. So Keung, Mr. Hong Xing and Mr. Ho To, all of whom are Directors are also directors of Shanghai Shenhua.

#### **SUSPENSION OF TRADING**

Trading in the shares of the Company has been suspended since 9:30 a.m. on Friday, 4 October 2002 and will remain suspended pending further announcement on certain price sensitive information.

Made by the order of the board of directors of the Company of which individually and jointly accept responsibility for the accuracy of this announcement.

## DEFINITION

“Board”	the board of Directors;
“Company”	Compass Pacific Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange;
“DWD”	Daiweldo Group Limited, according to the register of members of the Company, the controlling shareholder of the Company, which as at the date of this announcement is interested in approximately 49.88% of the issued share capital of the Company and is wholly owned by Daiweldo Foundation;
“Daiweldo Foundation”	Daiweldo Foundation Limited which according to the information available to the Company wholly owns DWD and is owned as to 80% by Mr. Yeung;
“Directors”	the directors of the Company and unless the context otherwise stated, shall exclude Mr. Yeung;
“Notice”	the notice of special general meeting dated 30 September 2002 and purportedly signed by DWD;
“Requisition”	the requisition dated 3 September 2002 by DWD requesting the convening of a special general meeting;
“Requisitionists”	DWD and Ng Kwing. Ng Kwing is a shareholder of the Company and according to the records of the Company is interested in approximately 0.049% of the issued share capital of the Company;
“Special General Meeting”	a special general meeting of the Company to be convened at 10:00 a.m. on 23 October 2002 at the offices of Stikeman Elliott at Suite 1103, Aon China Building, 29 Queen’s Road Central, Hong Kong for the purpose of considering resolutions as set out in the Notice;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“Mr. Yeung”	Mr. Yeung Yung (also know as Yang Rong) (仰融), the Chairman of the Company.

By order of the Board of  
**Compass Pacific Holdings Limited**  
**Hong Xing**  
*Director*

Hong Kong SAR, 22 October 2002

\* *For the purpose of identification*

“Please also refer to the published version of this announcement in The Standard”