

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Members of the Company will be held at The Chater Room I, Function Room Level (B1), The Ritz-Carlton Hong Kong, 3 Connaught Road Central, Hong Kong on Wednesday, 29th December, 2004 at 10:30 a.m. for the following purposes:

1. To receive and consider the audited financial statements and the Reports of the Directors and of the Auditors for the year ended 31st July, 2004;
2. To re-elect retiring directors and to fix the directors' remuneration;
3. To appoint auditors and to authorise the directors to fix their remuneration; and
4. As special business, to consider and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

“THAT:

- (a) subject to paragraph (c) of this Resolution, the exercise by the directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to issue, allot and deal with additional ordinary shares in the Company, and to make or grant offers, agreements and options (including warrants, bonds, debentures, notes and any securities which carry rights to subscribe for or are convertible into ordinary shares in 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) of this Resolution shall authorise the directors during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds, debentures, notes and any securities which carry rights to subscribe for or are convertible into ordinary shares in 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 ordinary share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the directors pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) an issue of ordinary shares in the Company upon the exercise of rights of subscription or conversion under the terms of any of the securities which are convertible into shares of the Company; or (iii) an issue of ordinary shares in the Company as scrip dividends pursuant to the Articles of Association of the Company from time to time; or (iv) an issue of ordinary shares in the Company under any option scheme or similar arrangement for the grant or issue to employees of the Company and/or any of its subsidiaries of ordinary shares in the Company or rights to acquire ordinary shares in the Company, shall not exceed 20% of the aggregate nominal amount of the issued ordinary share capital of the Company as at the date of this Resolution, and the said approval shall be limited accordingly; and

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(d) for the purposes 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 revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting; or
- (iii) the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held; and

“Rights Issue” means an offer of ordinary shares of the Company open for a period fixed by the directors to the holders of ordinary shares, whose names appear on the Register of Members of the Company on a fixed record date in proportion to their then holdings of such ordinary shares 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 applicable to the Company).”

5. As special business, to consider and, if thought fit, pass the following resolution as a Special Resolution:

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

A. replacing the definition of “associate” in Article 2 with the following definition:

““associate” shall have the meaning ascribed to it by the Listing Rules”;

B. adding the following definition to Article 2:

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

C. replacing the following words “the Chief Secretary” in the third and fourth lines of the definition “newspaper” in Article 2 with “the Chief Secretary for Administration”;

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- D. replacing the definition of “recognised clearing house” in Article 2 with the following definition:
- “recognised clearing house” shall mean a clearing house within the meaning of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and any amendments thereto or re-enactments thereof for the time being in force”;
- E. replacing the existing definition of “writing” or “printing” in Article 2 with the following definition:
- “writing” or “printing” shall include writing, printing, lithography, photography, typewriting or every other mode of representing words or figures in a legible and non-transitory form including where the representation takes the form of electronic display.”
- F. adding the following paragraph immediately after the existing last paragraph of Article 2:
- “References to a document being executed include references to it being executed under hand or under seal or by electronic signature or by any other method and references to a notice or document include a notice or document recorded or stored in any digital, electronic, electrical, magnetic or other retrievable form or medium and information in visible form whether having physical substance or not.”
- G. deleting the words “At any general meeting” in the first line of Article 73 and substituting therefor the words “Save that a poll is required by the Listing Rules or any other applicable laws, at any general meeting”;
- H. deleting the words “The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.” in the fifth to sixth lines of Article 74 and substituting therefor the following words “The result of the poll so demanded pursuant to these Articles or required by the Listing Rules or any other applicable laws shall be deemed to be the resolution of the meeting at which the poll was demanded or required.”
- I. adding the following words “or required” immediately after “at which the poll is demanded” in the second and third lines of Article 76;
- J. deleting the words “Subject to any special right,” in the first line of Article 79 and substituting therefor the words “Subject to Article 90A and any special right,”;
- K. renumbering the existing sub-paragraphs 90(A) and 90(B) of Article 90 as 90(1) and 90(2);

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- L. inserting after Article 90 the following new paragraph:

“90A Where the Company is aware that 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.”

- M. deleting the existing sub-paragraph (A)(vii) of Article 100 and substituting therefor the following new sub-paragraph (A)(vii):

“if he shall be removed from office by an ordinary resolution of the Company under Article 108.”

- N. deleting the existing paragraphs (H), (I), (J) and (K) of Article 101 and substituting therefor the following new paragraphs:

“(H) A Director shall not vote or be counted in the quorum in respect of any contract or arrangement or proposal in which he or any of his associate(s) has/have a material interest, and if he shall do so his vote shall not be counted, but this prohibition shall not apply to any or more of the following matters:

- (i) the giving to him or any of his associates of any guarantee, indemnity or security in respect of money lent or obligations undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries;
- (ii) the giving to a third party of any guarantee, indemnity or security in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself or any of his associates has assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (iii) any contract or arrangement or proposal in relation to an offer or invitation 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 he or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer or invitation;
- (iv) any contract or arrangement or proposal in relation to or concerning any other company in which he or his associate(s) is/are interested only, directly or indirectly, as an officer or executive or shareholder or in which he or his associate(s) is/are not in aggregate beneficially interested in five (5) per cent or more of any class of the issued shares or securities or of the voting rights of any class of issued shares of such company (or of any third company through which his interest or that of his associates is derived);

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- (v) any contract or arrangement or proposal in relation to or 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 he 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 the Directors, their associate(s) 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;

- (vi) any contract or arrangement or proposal in which he 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;
- (vii) any contract for the benefit of employees of the Company or of any of its subsidiaries under which the Director or any of his associate(s) benefit(s) in a similar manner to the employees and which does not accord to any Director or any of his associate(s) as such any privilege or advantage not accorded to the employees to whom the contract relates; and
- (viii) any contract for the purchase or maintenance for any Director or Directors of insurance against any liability.

For the purpose of this Article 101(H), "subsidiary" shall have the meaning as defined in the Listing Rules.

- (I) A company shall be deemed to be a company in which a Director and/or any of his associate(s) own(s) 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 of any class of shares of such company if and so long as (but only if and so long as) he and/or his associate(s) is/are (either directly or indirectly) the holder(s) of or beneficially interested in five (5) per cent, or more of any class of the equity share capital of such company (or of any third company through which the interest of the Director and/or that of his associate(s) is derived) or of the voting rights of any class of shares available to shareholders of the company. 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 or his associate(s) has/have no beneficial interest, any shares comprised in a trust in which the interest of the Director or that of his

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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 authorized unit trust scheme in which the Director or any of his associate(s) is/are interested only as a unit holder.

- (J) Where a company in which a Director and/or any of his associate(s) hold(s) five (5) per cent, or more of any class of the equity share capital of such company or of the voting rights of any class of shares available to shareholders of such company is materially interested in a transaction, then that Director shall also be deemed materially interested in such transaction.
- (K) If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the Chairman) and/or any of his associate(s) 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 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 and/or any of his associate(s) concerned 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 and/or any of his associate(s) such question shall be decided by a resolution of the Board (for which purpose such Chairman shall not be counted in the quorum and 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/or any of his associate(s) as known to him has not been fairly disclosed to the Board.”
- O. deleting the existing Article 106 and substituting therefor the following new Article 106:
- “106. No person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been delivered to the Company at its registered office provided that the minimum length of the period during which such notices are given, shall be at least seven (7) days and that the period for lodgment of the notices 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 (7) days prior to the date of such meeting.”
- P. deleting the words “The Company may by special resolution remove any Director” in the first line of Article 108 and substituting therefor the words “The Company may by ordinary resolution remove any Director”;

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- Q. deleting the existing Articles 123 and 124 in their entirety including the headings “**Chairman**” immediately above the existing Article 123 and “**Proceedings of the Directors**” immediately above Article 124 and substituting therefor the following new heading and new Articles 123 and 124:

“Proceedings of the Directors

123. The Board may from time to time elect or otherwise appoint a Director to be Chairman or Deputy Chairman and determine the period for which each of them is to hold office. The Chairman or, in his absence, the Deputy Chairman shall preside at meetings of the Board, but if no such Chairman or Deputy Chairman be elected or appointed, or if at any meeting the Chairman or Deputy Chairman is not present within five minutes after the time appointed for holding the same, the Directors present shall choose one of their number to be Chairman of such meetings.
124. The Board may meet together for the despatch of business, adjourn and otherwise regulate their meetings and the proceedings as they think fit. 2 Directors (or alternate Directors) present at the meeting shall form a quorum. For the purpose of this Article an alternate Director shall be counted in a quorum but, notwithstanding that an alternate Director is also a Director or is an alternate for more than one Director, he shall for quorum purposes count as only one Director. The Board or any committee of the Board may participate in a meeting of the Board or such committee by means of a conference, telephone or similar communications equipment by means of which all persons participating in the meeting are capable of hearing each other.”
- R. adding the following sub-paragraphs after sub-paragraph (B) of Article 166:
- “(C) To the extent permitted by and subject to due compliance with all applicable laws and the Listing Rules, and to obtaining all necessary consents, if any, required thereunder, the requirements of sub-paragraph (B) of Article 166 shall be deemed to be satisfied in relation to any person by sending to the person in any manner not prohibited by the applicable laws or the Listing Rules, a summary financial statement derived from the Company’s annual accounts and the directors’ report which shall be in the form and containing the information required by applicable laws or the Listing Rules, provided that any person who is otherwise entitled to the annual financial statements of the Company and the directors’ 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 a summary financial statement, a complete printed copy of the Company’s annual financial statement and the directors’ report thereon.
- (D) The requirement to send to a person the documents referred to in sub-paragraph (B) of Article 166 or a summary financial report in accordance with sub-paragraph (C) of Article 166 shall be deemed to be satisfied where, in accordance with all applicable laws and the Listing Rules, the Company publishes copies of the documents referred to in sub-

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paragraph (B) of Article 166 and, if applicable, a summary financial report complying with sub-paragraph (C) of Article 166, on the Company's computer network or in any other permitted manner (including by sending any form of electronic communication), and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company's obligation to send to him a copy of such documents."

- S. deleting the existing Article 170 and substituting therefor the following new Article 170:

"Any notice or document (including any "corporate communication" within the meaning ascribed thereto under the Listing Rules), to be given or issued under these Articles, shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or communication and any such notice and document may be served or delivered by the Company on any member either personally or by sending it through the post in a prepaid letter, envelope or wrapper addressed to such member at his registered address as appearing in the register or by delivering or leaving it at such registered address as aforesaid or (in the case of a notice) by advertisement in an English language newspaper and a Chinese language newspaper or, as the case may be, by transmitting it to any such address or transmitting it to any telex or facsimile transmission number or electronic number or address or website supplied by him to the Company for the giving of notice to him or which the person transmitting the notice reasonably and bona fide believes at the relevant time will result in the notice being duly received by the member or, to the extent permitted by the applicable laws and the Listing Rules, by placing it on the Company's website and giving to the member a notice stating that the notice or other document is available there (a "notice of availability"). The notice of availability may be given to the member by any of the means set out above. In the case of joint holders of a share, all notices shall be given to that one of the joint holders whose name stands first in the register and notice so given shall be deemed to be a sufficient service on or delivery to all the joint holders."

- T. deleting the existing Article 172 and substituting therefor the following new Article 172:

"Any notice or document:—

- (i) if sent by post shall be deemed to have been served on the day following that on which the envelope or wrapper containing the same is put into a post office situated within Hong Kong and in proving such service it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly prepaid, (and in the case of an address outside Hong Kong where airmail service can be extended thereto airmail postage prepaid) addressed and put into such post office and a certificate in writing signed by the Secretary or other person appointed by the Board that the envelope or wrapper containing the notice or document was so addressed and put into the post shall be conclusive evidence thereof;

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- (ii) if sent by electronic communication, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent. A notice placed on the Company's website is deemed to be given by the Company to a member on the day following that on which a notice of availability is deemed to be served on the member;
 - (iii) if served or delivered in any other manner contemplated by these Articles, shall be deemed to have been served or delivered at the time of personal service or delivery or, as the case may be, at the time of the relevant despatch, transmission or publication; and in proving such service or delivery a certificate in writing signed by the Secretary or other person appointed by the Board as to the fact and time of such service, delivery, despatch, transmission or publication shall be conclusive evidence thereof;
 - (iv) if served by advertisement in newspapers in accordance with the requirements of the applicable laws or the Listing Rules, shall be deemed to have been served on the day on which the notice is first published; and
 - (v) may be given to a member either in the English language or the Chinese language, subject to due compliance with all applicable laws and the Listing Rules.”
- U. deleting the words “Any notice or document delivered or sent by post to, or left at the registered address of any member in pursuance of these presents,” in the first and second lines of Article 175 and substituting therefor the following words “Any notice or document given, issued, served, delivered, sent or transmitted to any member in pursuance of these presents,”;
- V. deleting the existing Article 176 and substituting therefor the following new Article 176:
- “The signature to any notice or document to be given by the Company may be written or printed or in the form of electronic signature or in any other form.”;
- W. adding a new Article 178A after the existing Article 178:
- “178A Notwithstanding any provisions contained in these Articles, the Directors may, if permitted by applicable law, authorize the destruction of documents set out in subparagraphs (i) to (iv) of Article 178 and any other documents in relation to share registration which have been microfilmed or electronically stored by the Company 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 was relevant to a claim.”
- X. deleting the existing paragraphs (A) and (B) of Article 181 and substituting therefor the following new paragraphs:
- “(A) Every Director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, and no

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Director or other officer shall be liable for any loss, damages or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office all in relation thereto, provided that this Article shall only have effect in so far as its provisions are not avoided by the Companies Ordinance.

- (B) To the extent permitted by the provisions of the Companies Ordinance, if any Director or other officer of the Company shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Director or other officer of the Company so becoming liable as aforesaid from any loss in respect of such liability.
- (C) To the extent permitted by the provisions of the Companies Ordinance, the Company may purchase insurance for any Director or other officer of the Company against liabilities incurred by him.””

By Order of the Board
Yeung Kam Hoi
Company Secretary

Hong Kong, 12th November, 2004

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Notes:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies to attend and, on a poll, vote on his behalf. A proxy need not be a member of the Company.
2. To be valid, a form of 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 Registrars, Tengis Limited, at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the Annual General Meeting or its adjourned meeting (as the case may be). Completion and return of the form of proxy shall not preclude members from attending and voting in person at the Annual General Meeting or at any of its adjourned meeting should they so wish.
3. Ordinary Resolution No. 4 relates to the granting of a general mandate to the directors of the Company to issue new ordinary shares of up to a maximum of 20% of the aggregate nominal amount of the issued ordinary share capital of the Company as at the date of the said resolution. The Company has no immediate plan to issue such new shares.
4. A circular containing details regarding Special Resolution No. 5 will be sent to Members together with the Company's Annual Report for 2003–2004.