



SAFETY GODOWN COMPANY, LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 237)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Safety Godown Company, Limited (“the Company”) will be held at 19/F., Lu Plaza, 2 Wing Yip Street, Kwun Tong, Kowloon on Friday, 20 August 2004 at 12:00 noon for the following purposes:

1. To receive and adopt the Audited Consolidated Financial Statements and the Reports of the Directors and of the Auditors for the year ended 31 March 2004.
2. To declare a final dividend for the year 2004.
3. To re-elect the following Directors and to authorise the Directors to fix their remuneration:–
 - (a) Mr. Lui Chi Lung as Executive Director
 - (b) Mr. Gan Khai Choon as Independent Non-executive Director
 - (c) Mr. Lam Ming Leung as Independent Non-executive Director
4. To re-appoint Auditors and to authorise the Directors to fix their remuneration.

As special business, to consider and, if thought fit, pass the following ordinary resolutions:

ORDINARY RESOLUTIONS

5. **“THAT**
 - (a) subject to paragraph (c) of this Resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all 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 (including warrants, bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible into shares of 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 and grant offers, agreements and options (including warrants, bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible into shares of 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 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) of this Resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) an issue of shares in the Company under any option scheme or similar arrangement for the time being adopted for the grant or issue to the grantees as specified in such scheme or similar arrangement of shares or rights to acquire shares of the Company; or (iii) an issue of shares in the Company upon the exercise of subscription or conversion rights under the terms of any existing warrants, bonds, debentures, notes and other securities of the Company which carry rights to subscribe for or are convertible into shares of the Company; or (iv) an issue of shares in the Company as scrip dividends pursuant to the Articles of Association of the Company from time to time, shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing 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; and
 - (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting; and“Rights Issue” means an offer of shares of the Company or issue of option, warrants or other securities giving the right to subscribe for shares of the Company, open for a period fixed by the Directors to holders of shares whose names appear on the register of members of the Company (and, where appropriate, to holders of other securities of the Company entitled to the offer) on a fixed record date in proportion to their then holdings of such shares of the Company (or, where appropriate, such other securities) (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).”
6. **“THAT:**
 - (a) subject to paragraph (b) of this Resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase shares of the Company on The Stock Exchange of Hong Kong Limited (“the Stock Exchange”) or on any other stock exchange on which the shares 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 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 is hereby generally and unconditionally approved;
 - (b) the aggregate nominal amount of shares of the Company which the Company is authorised to be repurchased by the Company pursuant to the approval in paragraph (a) of this Resolution shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this Resolution, and authority pursuant to paragraph (a) of this Resolution 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; or
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; and
 - (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.”
7. **“THAT** conditional upon the passing of Ordinary Resolution Nos. 5 and 6 set out in the notice convening this meeting, the general mandate granted to the Directors to exercise the powers of the Company to allot shares pursuant to Ordinary Resolution No. 5 set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to Ordinary Resolution No. 6 set out in the notice convening this meeting, provided that such extended amount shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this Resolution.”

As special business, to consider and, if thought fit, pass the following special resolution:

SPECIAL RESOLUTION

8. "THAT the Articles of Association of the Company be and are hereby amended in the following manner:–

(1) Article 1

(a) by deleting the letter "s" in the definition "The Ordinances".

(b) by adding the following new definitions immediately after the definition of "Month":–

"associate" shall have the meaning ascribed to it under the Listing Rules.

"clearing house" means a recognized clearing house within the meaning of section 37(1) of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) or a clearing house recognized by the laws of the jurisdiction in which the shares of the Company are listed or quoted with the permission of the Company on a stock exchange in such jurisdiction.

"electronic communication" means a communication sent by electronic transmission in any form through any medium.

"Entitled Person" means an "entitled person" as defined under the Ordinance.

"the Listing Rules" means the Rules Governing the Listing of Securities on the Stock Exchange and any amendments thereto for the time being in force.

"relevant financial documents" means the "relevant financial documents" as defined under the Ordinance.

"the Stock Exchange" means The Stock Exchange of Hong Kong Limited.

"summary financial report" means the "summary financial report" as defined under the Ordinance.

(c) by deleting the interpretation of "In writing" and "written" in its entirety and substituting therefor the following new interpretation:–

"In writing" and "written" include written or printed or printed by lithography or printed by photography or typewritten or produced by any other modes of representing words or figures in a visible form or, to the extent permitted by, and in accordance with the Ordinance and other applicable laws, rules and regulations, any visible substitute for writing (including an electronic communication), or partly in one visible form and partly in another visible form.

(d) by adding the following paragraph as the last paragraph of Article 1:–

References to a document being executed include references to it being executed under hand or under seal or, to the extent permitted by, and in accordance with the Ordinance and other applicable laws, rules and regulations, by electronic signature or by any other method. References to a document, to the extent permitted by, and in accordance with the Ordinance and other applicable laws, rules and regulations, include references to any information in visible form whether having physical substance or not.

(2) Article 7A

by deleting the words "The Stock Exchange of Hong Kong Limited" in the second last line and substituting therefor the words "the Stock Exchange".

(3) Article 10

(a) by deleting the words "without payment" immediately after the word "entitled" in the first line of Article 10.

(b) by deleting the words "without payment" immediately after the word "thereof" in the seventh line of Article 10 and substituting therefor the words "upon payment of an amount not exceeding the maximum fee prescribed by the Listing Rules".

(c) by inserting the words "be issued under the seal of the Company and" after the word "shall" in ninth line of Article 10.

(4) Article 12

by adding the words "to the satisfaction of the Company beyond reasonable doubt" after the word "evidence" in line 6 of Article 12, and by deleting the word "Renewal" in the corresponding marginal notes and substituting therefor the word "Replacement".

(5) Article 18

by adding the words "Provided however that such payment in advance of calls does not entitle the holder of the share to participate in respect thereof in a dividend subsequently declared." after the word "Directors." in the last sentence of Article 18.

(6) new Article 24A

by adding the following new heading, Articles and marginal notes immediately after the existing Article 24:–

Untraceable Members

24A. (1) As regards untraceable members, without prejudice to the rights of the Company under paragraph (2) of this Article, the Company may cease sending cheques for dividend entitlements or dividend warrants by post if such cheques or warrants have been left uncashed on two consecutive occasions. However, the Company may exercise the power to cease sending cheques for dividend entitlements or dividend warrants after the first occasion on which such a cheque or warrant is returned undelivered.

Power to cease sending cheques to untraceable members

(2) The Company shall have the power to sell, in such manner as the Board thinks fit, any shares of a Member who is untraceable, but no such sale shall be made unless:

(a) at least three dividends in respect of the shares in question have become payable during the relevant period and no dividends during that period has been claimed; and

(b) so far as it is aware at the end of the relevant period, the Company has not at any time during the relevant period had any indication of the existence of the Member who is the holder of such shares or of a person entitled to such shares by death, bankruptcy or operation of law; and

(c) on the expiry of the relevant period, the Company has given notice to the Stock Exchange, and has caused advertisement in the newspapers to be published, of its intention to sell such shares.

For the purpose of this Article, "relevant period" means the period commencing twelve years before the date of publication of the advertisement referred to in paragraph (c) of this Article and ending at the expiry of the period referred to in that paragraph.

(3) To give effect to any such sale, the Board may authorize some person to transfer the said shares, and an instrument of transfer signed or otherwise executed by or on behalf of such person shall be as effective as if it had been executed by the registered holder or the person entitled by transmission to such shares, and the purchaser shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale. The net proceeds of the sale will belong to the Company and the Company shall not be required to account for any money earned from the net proceeds which may be employed in the business of the Company or as it thinks fit. Any sale under this Article shall be valid and effective notwithstanding that the Member holding the shares sold is dead, bankrupt or otherwise under any legal disability or incapacity.

(7) Article 37

by adding the following paragraph at the end of the existing Article 37:–

"Provided that where the Company issues shares which do not carry voting rights, the words "non-voting" must appear in the designation of such shares, and where the equity capital includes shares with different voting rights, the designation of each class of shares, other than those with the most favorable voting rights, must include the words "restricted voting" or "limited voting".

(8) Article 57

- (a) by deleting the words “but a poll may be demanded” in the second and third lines of the existing Article 57 and substituting therefor the words “unless a poll is taken as may from time to time be required under the Listing Rules or any other applicable laws, rules or regulations or unless a poll is demanded”.
- (b) by inserting the words “a poll is so taken as required under the Listing Rules or any other applicable laws, rules or regulations or unless” after the word “Unless” at the beginning of the second paragraph of the existing Article 57.

(9) new Articles 67A and 67B

by adding the following new Articles and marginal notes immediately after the existing Article 67:–

- 67A. (a) Any corporation which is a Member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of Members of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Member of the Company. Corporation acting by representative at meetings
- (b) If a recognized clearing house (or its nominee(s)) is a Member of the Company, it may authorise such person or persons as it thinks fit to act as its representative (or representatives) at any general meeting or any separate meeting of any class of Members of the Company provided that, if more than one person is so authorised, the authorisation must specify the number and class of Shares in respect of which each such person is so authorised. The person so authorised will be entitled to exercise the same rights and powers on behalf of the recognized clearing house as the clearing house (or its nominee(s)) could exercise as if such person were an individual shareholder of the Company (including the right to vote individually on a show of hands).
- 67B. Where the Company has knowledge that a Member is, under any applicable laws and 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. Voting in contravention to Listing Rules

(10) Article 74

(a) by deleting the existing Article 74(B) in its entirety and substituting therefor the following new paragraphs:–

- (B) A Director shall not vote (nor be counted in the quorum) on any resolution of the Board approving any contract, arrangement or proposal in which he or any of his associate(s), to the knowledge of such Director is or are materially interested, but this prohibition shall not apply to any of the following matters namely:–
- (i) any contract or arrangement for the giving by the Company of any security or indemnity to the Director or his associate(s) in respect of money lent or obligations incurred or undertaken by him or any of his associates 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 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/himself 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, arrangement or proposal concerning an offer of the 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 the Director or his associate(s) is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (iv) 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;
- (v) any contract, arrangement or proposal concerning any other company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the Director and/or his associate(s) is/are beneficially interested in shares of that company, provided that the Director and any of his associates are not in aggregate beneficially interested in five per cent. or more of the issued shares or voting rights of any class of shares of such company (or of any third company through which his interest or that of his associates is derived);
- (vi) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to the 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) any privilege not generally accorded to the employees to whom such scheme or fund relates; and
- (vii) any proposal or arrangement concerning the adoption, modifications 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 any of its subsidiaries under which the Director or his associate(s) may benefit.
- (C) A company shall be deemed to be a company in which a Director and/or his associate(s) own(s) five per cent. or more 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 per cent. or more of any class of the equity share capital of such company (or of any third company through which his interest or that of any of his associates is derived) or of the voting rights available to members of such company. For the purpose of this paragraph there shall be disregarded any shares held by a Director or his associate(s) as bare or custodian trustee and in which he or any of them has no beneficial interest, any shares comprised in a trust in which the interest of the Director or his associate(s) is/are 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/are 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.
- (D) Where a company in which a Director and/or his associate(s) hold(s) five per cent. or more is materially interested in a transaction, then that Director and/or his associate(s) shall also be deemed materially interested in such transaction.
- (b) by re-lettering the existing sub-paragraph headings of Article 74 (C) and (D) to Article 74 (E) and (F) respectively.
- (c) by deleting the existing Article 74 (E) in its entirety and substituting therefor the following new paragraph:–
- (G) 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 of the meeting) or 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 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 and/or 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 of the meeting such question shall be decided by a resolution of the Board (for which purpose the Chairman shall be counted in the quorum but shall not vote on the matter) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of the Chairman as known to such Chairman has not been fairly disclosed to the Board.
- (d) by re-lettering the existing sub-paragraph headings of Article 74 (F) and (G) to Article 74 (H) and (I) respectively.

(11) Article 82A

by deleting the existing Article 82A in its entirety and substituting therefor the following new Article:–

- 82A. No person, other than a retiring Director, shall, unless recommended by the Directors 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 given to the Company provided that the minimum length of the period, during which such notices are given, shall be at least seven days. The period for lodgment of such notices shall commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting.

(12) Articles 111, 112 and 113

by deleting the existing Articles 111, 112 and 113 in their entirety and substituting therefor the following new Articles:–

111. The Board shall from time to time in accordance with the provisions of the Ordinance cause to be prepared and laid before the Company at its Annual General Meeting the relevant financial documents. Relevant financial document
112. Subject to Article 113, the Company shall in accordance with the Ordinance and other applicable laws, rules and regulations, deliver or send to every Entitled Person a copy of the relevant financial documents of the Company or a copy of the summary financial report in place of a copy of the relevant financial documents from which the report is derived, not less than twenty-one days before the date of the General Meeting of the Company concerned (or such other time as is permitted under the Ordinance and other applicable laws, rules and regulations). Provided that this Article shall not require a copy of these documents to be sent to more than one of the joint holders of any Shares or debentures or to any Member of, or any holder of debentures, who is not entitled to receive notices of Annual General Meetings of the Company and whose address the Company is unaware, but any Member or holder of debentures of the Company to whom a copy of these documents has not been sent, shall be entitled to receive a copy of these documents free of charge on application at the Office of the Company. Relevant financial document and summary financial report
113. Where any Entitled Person has, in accordance with the Ordinance and other applicable laws, rules and regulations, agreed or is deemed to have agreed to his having access to the relevant financial documents and/or the summary financial report on the Company's computer network as mentioned in Article 116(v) or, to the extent permitted by, and in accordance with the Ordinance and other applicable laws, rules and regulations, in any other manner (including any other form of electronic communication) instead of being sent the documents or report, as the case may be (an "assenting person"), the publication or making available by the Company, in accordance with the Ordinance and other applicable laws, rules and regulations, on the Company's computer network referred to above of the relevant financial documents and/or the summary financial report throughout the period beginning not less than twenty-one days before the date of the general meeting of the Company concerned and ending on such date in accordance with the Ordinance and other applicable laws, rules and regulations (or such other period or time as is permitted under the Ordinance and other applicable laws, rules and regulations) or in such other manner, shall be treated as having sent a copy of the relevant financial documents or a copy of the summary financial report to an assenting person in satisfaction of the Company's obligations under paragraph Article 112. Entitled Person

(13) Articles 115, 115A, 115B, 116 and 117

by deleting the existing Articles 115, 115A, 115B, 116 and 117 in their entirety and substituting therefor the following new Articles:–

115. Every Entitled Person shall register with the Company an address either in Hong Kong or elsewhere to which notices can be sent and if any Member shall fail so to do, notice may be given to such Member by sending the same in any of the manners hereinafter mentioned to his last known place of business or residence, or if there be none, by posting the same for one day at the Office of the Company or by posting the same on the website of the Company or any other electronic means. 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 of Members and notice so given shall be sufficient notice to all the joint holders. Address of shareholders and service of notices to joint holders
116. Any notice or document (including any "corporate communication" as defined in the Listing Rules), whether or not to be given or issued under the Ordinance and other applicable laws, rules and regulations or these presents from the Company, may be served or delivered by the Company upon any Entitled Person:– Service of notices
- (i) personally;
 - (ii) by sending it through the post in a prepaid envelope or wrapper addressed to such person at his registered place of address;
 - (iii) by advertisement in English in at least one English language newspaper and in Chinese in at least one Chinese language newspaper being in each case a newspaper published and circulating generally in Hong Kong and specified or permitted for this purpose by the Ordinance and other applicable laws, rules and regulations, and for such period as the Board shall think fit to the extent permitted by, and in accordance with the Ordinance and other applicable laws, rules and regulations;
 - (iv) by sending or transmitting it as an electronic communication to such person at any telex or facsimile transmission number or electronic number or electronic address or computer network or website supplied by him to the Company for the giving of notice or document from the Company to him to the extent permitted by, and in accordance with the Ordinance and other applicable laws, rules and regulations;
 - (v) by publishing it on the Company's computer network and giving to such person a notice in accordance with the Ordinance and other applicable laws, rules and regulations stating that the notice or other document is available there (a "notice of publication") to the extent permitted by, and in accordance with the Ordinance and other applicable laws, rules and regulations. The notice of publication may be given to such person by any of the means set out in paragraphs (i) to (iv) or (vi) of this Article; or
 - (vi) by sending or otherwise making available to such person through such means to the extent permitted by, and in accordance with, the Ordinance and other applicable laws, rules and regulations.
117. (A) Any notice or other document (including any "corporate communication" as defined in the Listing Rules) given or issued by or on behalf of the Company:– When notice deemed to be served
- (i) if served or delivered in person, shall be deemed to have been served or delivered at the time of personal service or delivery, and in proving such service or delivery, a certificate in writing signed by the Secretary (or other officer of the Company or such other person appointed by the Board) that the notice or document was so served or delivered shall be conclusive evidence thereof;
 - (ii) if served or delivered by post, shall be deemed to have been served or delivered on the day following that on which the envelope or wrapper containing the same is put into a post box, and in proving such service or delivery, it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly prepaid, addressed and put into such post box. A certificate in writing signed by the Secretary (or such other officer of the Company or such other person appointed by the Board) that the envelope or wrapper containing the notice or other document was so prepaid, addressed and put into such post box shall be conclusive evidence thereof;
 - (iii) if sent or transmitted as an electronic communication in accordance with Article 116(iv) or through such means in accordance with Article 116(vi), shall be deemed to have been served or delivered at the time of the relevant despatch or transmission. A notice or document published in the Company's computer network in accordance with Article 116(v), shall be deemed to have been served or delivered on the day following that on which a notice of publication is sent to the Entitled Person. In proving such service or delivery, a certificate in writing signed by the Secretary (or such other officer of the Company or such other person appointed by the Board) as to the fact and time of such service, delivery, despatch, transmission or publication shall be conclusive evidence provided that no notification that the electronic communication has not reached its recipient has been received by the sender, except that any failure in transmission beyond the sender's control shall not invalidate the effectiveness of the notice or document being served; and
 - (iv) if served by advertisement in newspaper in accordance with Article 116(iii), shall be deemed to have been served on the day on which such notice or document is first published.

(B) Subject to the Ordinance and other applicable laws, rules and regulations, any notice or document (including but not limited to the documents referred to in Articles 111 to 113 and any "corporate communication" as defined in the Listing Rules) may be given by the Company in the English language only, in the Chinese language only or in both. Where a person has in accordance with the Ordinance and other applicable laws, rules and regulations consented to receive notices and documents (including but not limited to the documents referred to in Articles 111 to 113 and any "corporate communication" as defined in the Listing Rules) from the Company in the English language only or the Chinese language only but not both, it shall be sufficient for the Company to serve on or deliver to him any such notice or document in such language only in accordance with these presents unless and until there is a notice of revocation or amendment of such consent given or deemed to have been given by such person to the Company in accordance with the Ordinance and other applicable laws, rules and regulations which shall have effect in respect of any notice or document to be served on or delivered to such person subsequent to the giving of such notice of revocation or amendment.

Choice of languages

(14) new Articles 124 and 125

by adding the following new heading, Articles and marginal notes immediately after the existing Article 123:–

Indemnity

124. Every Director, manager, Secretary or other officer and every Auditor of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities (including any such liability as is mentioned in Section 165(2) of the Ordinance) which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, and no Director, manager, Secretary or other officer or Auditor shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto. But this Article shall only have effect in so far as its provisions are not avoided by the said Section. This indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of the said persons.

Indemnity

125. The Company shall have power to purchase and maintain for any Director or other officer of the Company, or Auditors of the Company:–

Liability insurance

- (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 which is the Company's subsidiary or holding company or a subsidiary of the Company's holding company.

9. To transact any other ordinary business.

By order of the Board
Wong Leung Wai
Secretary

Hong Kong, 2 July 2004

NOTES:

- (1) A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and, on a poll, vote in his stead. A proxy need not also be a Member. The instrument appointing a proxy must be deposited at the registered office of the Company at 19/F, Lu Plaza, 2 Wing Yip Street, Kwun Tong, Kowloon, Hong Kong not less than 48 hours before the time appointed for holding the meeting.
- (2) The Register of Members will be closed from Wednesday, 18 August 2004 to Friday, 20 August 2004, both days inclusive, during which period no transfer of shares can be registered. In order to qualify for the final dividend, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's Share Registrars, Standard Registrars Limited, G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, for registration not later than 4:00 p.m. on Tuesday, 17 August 2004.
- (3) Subject to approval by the shareholders at a general meeting of the Company, the final dividend will be paid on 21 August 2004 to every shareholder registered as a member on the Register of Members at the close of business on 20 August 2004.

As at the date of this Notice, the Board of Directors of the Company consists of:

Lu Sin	Chairman and Managing Director
Lui Chi Lung	Executive Director
Lu Yong Lee	Non-executive Director
Gan Khai Choon	Independent Non-executive Director
Lee Ka Sze, Carmelo	Independent Non-executive Director
Lam Ming Leung	Independent Non-executive Director