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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your 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 **COSCO Pacific Limited**, you should at once hand this circular and the enclosed proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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COSCO Pacific Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 1199)

PROPOSALS INVOLVING GENERAL MANDATES TO ISSUE NEW SHARES AND REPURCHASE ITS OWN SHARES AND AMENDMENTS TO BYE-LAWS

A notice convening a special general meeting of COSCO Pacific Limited to be held at 49th Floor, COSCO Tower, 183 Queen's Road Central, Hong Kong on Friday, 21st May 2004 at 2:45 p.m. (or soon thereafter as the annual general meeting of the Company convened for the same place and date at 2:30 p.m. shall have been concluded or adjourned) is set out on pages 10 to 16 of this circular. Whether or not you propose to attend the meeting, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the principal place of business of the Company at 49th Floor, COSCO Tower, 183 Queen's Road Central, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding of the meeting or any adjournment thereof. Completion and return of the proxy form will not preclude shareholders from attending and voting in person at the meeting should they so wish.

Hong Kong, 22nd April 2004

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DEFINITIONS

In this circular, the following expressions shall have the following meanings unless the context requires otherwise:

“AGM”	the annual general meeting of the Company to be held at 49th Floor, COSCO Tower, 183 Queen’s Road Central, Hong Kong on Friday, 21st May 2004 at 2:30 p.m.
“associates”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of directors of the Company or a duly authorised committee thereof for the time being
“Bye-laws”	the bye-laws of the Company as may be amended from time to time
“Company”	COSCO Pacific Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Stock Exchange
“Directors”	the directors of the Company for the time being
“Hong Kong”	the Hong Kong Special Administrative Region of The People’s Republic of China
“Issue Mandate”	a general mandate to the Directors to exercise the power of the Company to allot, issue and deal with Shares during the period as set out in the Ordinary Resolution No. 1 up to 20% of the issued share capital of the Company as at the date of passing the Ordinary Resolution No. 1
“Latest Practicable Date”	16th April 2004, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Ordinary Resolution(s)”	the proposed ordinary resolution(s) as referred to in the SGM Notice
“Repurchase Mandate”	a general mandate to the Directors to exercise the power of the Company to repurchase Shares during the period as set out in the Ordinary Resolution No. 2 up to 10% of the issued share capital of the Company as at the date of passing the Ordinary Resolution No. 2
“SGM”	the special general meeting of the Company to be held at 49th Floor, COSCO Tower, 183 Queen’s Road Central, Hong Kong on Friday, 21st May 2004 at 2:45 p.m. (or so soon thereafter as the AGM convened for the same place and date at 2:30 p.m. shall have been concluded or adjourned), the notice of which is set out in this circular
“SGM Notice”	the notice dated 22nd April 2004 convening the SGM as set out in pages 10 to 16 of this circular

DEFINITIONS

“Share(s)”	share(s) of HK\$0.10 each in the capital of the Company (or of such other nominal amount as shall result from a sub-division, consolidation, reclassification or reconstruction of the share capital of the Company from time to time)
“Shareholder(s)”	holder(s) of Share(s)
“Share Repurchase Rules”	the relevant rules set out in the Listing Rules to regulate the repurchase by companies with primary listing of their own securities on the Stock Exchange
“Special Resolution”	the proposed special resolution as referred to in the SGM Notice
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeover Code”	the Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE CHAIRMAN



COSCO Pacific Limited

(Incorporated in Bermuda with limited liability)

Executive Directors:

Mr. WEI Jiafu (*Chairman*)
Mr. LIU Guoyuan (*Vice Chairman*)
Mr. ZHANG Fusheng
Mr. WANG Futian
Mr. GAO Weijie
Mr. CHEN Hongsheng
Mr. LI Jianhong
Mr. MA Zehua
Mr. MA Guichuan
Ms. SUN Yueying
Mr. LI Yunpeng
Mr. ZHOU Liancheng
Mr. SUN Jiakang (*Managing Director*)
Mr. XU Lirong
Mr. HE Jiale
Mr. LIANG Yanfeng
Mr. WONG Tin Yau, Kelvin
Mr. MENG Qinghui
Mr. LU Chenggang
Mr. QIN Fuyan

Independent Non-executive Directors:

Dr. LI Kwok Po, David
Mr. LIU Lit Man
Mr. Alexander Reid HAMILTON
Mr. LEE Yip Wah, Peter

Non-executive Director:

Mr. KWONG Che Keung, Gordon

Company Secretary:

Ms. HUNG Man

Registered Office:

Clarendon House
Church Street
Hamilton HM11
Bermuda

Principal Place of Business:

49th Floor, COSCO Tower
183 Queen's Road Central
Hong Kong

22nd April 2004

To the Shareholders

Dear Sir or Madam,

PROPOSALS INVOLVING GENERAL MANDATES TO ISSUE NEW SHARES AND REPURCHASE ITS OWN SHARES AND AMENDMENTS TO BYE-LAWS

1. INTRODUCTION

At the special general meeting of the Company held on 23rd May 2003, resolutions of the Shareholders were passed, amongst other things, giving general unconditional mandates to the Directors to exercise the powers of the Company to:

1. repurchase Shares representing up to 10% of the aggregate nominal value of the issued share capital of the Company as at that date;

LETTER FROM THE CHAIRMAN

2. allot, issue and deal with Shares not exceeding 20% of the aggregate nominal value of the share capital of the Company in issue as at that date; and
3. extend the general mandate for issuing Shares as mentioned in paragraph (2) above by an amount representing the aggregate nominal amount of any Shares repurchased by the Company pursuant to the general mandate to repurchase Shares as mentioned in paragraph (1) above.

The above general mandates shall lapse at the conclusion of the AGM. It is therefore proposed that your approval of the Ordinary Resolutions be sought at the SGM to grant new general mandates to the Directors.

The latest amendments to the Listing Rules have become effective since 31st March 2004. Those amendments, include, amongst others, the amendments to Appendix 3 of the Listing Rules governing the constitutional documents of a listed issuer.

The purpose of this circular is to provide you with information regarding the Issue Mandate, Repurchase Mandate, extension of Issue Mandate and the proposed amendments to the Bye-laws and to seek your approval of the Ordinary Resolutions and the Special Resolution relating to these matters at the SGM.

2. GENERAL MANDATE TO ISSUE SHARES

It will be proposed at the SGM, Ordinary Resolutions Nos. 1 and 3 for granting to the Directors a general mandate to allot, issue and deal with new Shares not exceeding 20% of the issued share capital of the Company as at the date of passing the Ordinary Resolution No. 1 and adding to such general mandate so granted to the Directors any Shares representing the aggregate nominal amount of the Shares repurchased by the Company after the granting of the general mandate to repurchase Shares up to 10% of the issued share capital of the Company as at the date of passing the Ordinary Resolution No. 2. Such general mandate to allot, issue and deal with new Shares shall be exercisable during the period from the passing of the Ordinary Resolutions Nos. 1 and 3 until whichever is the earliest 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 Bye-laws of the Company or any applicable law to be held; or
- (iii) the date on which the authority set out in such Ordinary Resolutions are revoked or varied by an ordinary resolution or ordinary resolutions of the Shareholders in general meeting.

3. GENERAL MANDATE TO REPURCHASE SHARES

It will also be proposed at the SGM, Ordinary Resolution No. 2 for granting to the Directors to exercise the powers of the Company to repurchase Shares up to 10% of the issued share capital of the Company as at the date of passing the Ordinary Resolution No. 2.

This is an explanatory statement as required to be sent to the Shareholders under the Share Repurchase Rules to provide requisite information to you for your consideration of the Ordinary Resolution No. 2 in respect of the Repurchase Mandate.

LETTER FROM THE CHAIRMAN

(a) Share Capital

As at the Latest Practicable Date, the issued share capital of the Company comprised of 2,155,526,298 Shares.

Subject to the passing of the Ordinary Resolution No. 2 and on the basis that no further Shares are issued or repurchased prior to the SGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 215,552,629 Shares during the period from the passing of the Ordinary Resolution No. 2 until whichever is the earliest 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 Bye-laws of the Company or any applicable law to be held; or
- (iii) the date on which the authority set out in such Ordinary Resolution is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

(b) Reasons for the Repurchase

The Directors believe that the Repurchase Mandate is in the best interests of the Company and its Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets of the Company and/or its earnings per Share and will only be made when the Directors believe that a repurchase will benefit the Company and its Shareholders.

(c) Funding of Repurchase

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Memorandum of Association and Bye-laws and the applicable laws and regulations of Bermuda. Bermuda laws provide that the amount of capital repaid in connection with a share repurchase may only be paid out of either the capital paid up on the relevant shares, or out of the funds of the Company otherwise available for dividend or distribution or the proceeds of a fresh issue of shares made for the purpose. The amount of premium payable on repurchase may only be paid out of either the funds of the Company that would otherwise be available for dividend or distribution or out of the share premium of the Company.

There might be a material adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited accounts contained in the annual report for the year ended 31st December 2003 in the event that the power to repurchase Shares pursuant to the Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the power to repurchase Shares pursuant to 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.

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(d) Share Price

The highest and lowest prices at which the Shares have traded on the Stock Exchange during each of the previous twelve months before the Latest Practicable Date were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
April 2003	7.50	5.85
May 2003	8.10	6.65
June 2003	8.95	7.95
July 2003	9.00	7.65
August 2003	8.80	8.10
September 2003	9.85	8.40
October 2003	10.75	8.70
November 2003	10.75	9.20
December 2003	10.75	9.95
January 2004	12.30	10.50
February 2004	12.00	10.35
March 2004	12.20	10.80

(e) Undertaking

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules, the applicable laws and regulations of Bermuda and the Memorandum of Association and the By-laws of the Company.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company or its subsidiaries under the Repurchase Mandate if such is approved by the Shareholders.

No connected person of the Company (as defined in the Listing Rules) has notified the Company that he/she has a present intention to sell Shares to the Company or its subsidiaries, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

(f) Takeover Code

If on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, 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 Rule 32 of the Takeover Code. As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company or become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeover Code.

As at the Latest Practicable Date, COSCO (Hong Kong) Group Limited together with its associates are beneficially interested in 1,144,166,411 Shares representing approximately 53.08% of the issued share capital of the Company. In the event that the Directors exercise in full the power to repurchase Shares pursuant to the Repurchase Mandate, then (if the present

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shareholdings remain the same), the shareholdings of COSCO (Hong Kong) Group Limited together with its associates will be increased to approximately 58.98% of the issued share capital of the Company.

The Directors are not aware of any consequences which may arise under the Takeover Code as a result of any repurchases made under the Repurchase Mandate and have no present intention to exercise the power to repurchase Shares pursuant to the Repurchase Mandate to such an extent as to result in takeover obligations. In the event that the Repurchase Mandate is exercised in full, the number of Shares held by the public would not fall below 25%.

(g) Share Repurchase made by the Company

The Company and its subsidiaries had not repurchased any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

4. AMENDMENTS TO THE BYE-LAWS

The latest amendments to the Listing Rules have become effective since 31st March 2004. Those amendments, include, amongst others, the amendments to Appendix 3 of the Listing Rules governing the constitutional documents of a listed issuer. In this connection, the Special Resolution as set out in the SGM Notice is proposed to make amendments to the Bye-laws to comply with the requirements of the amended Appendix 3 of the Listing Rules as well as to keep the Bye-laws more in line with the current practice of the Company.

As a result of the amendments to the Listing Rules, amongst others, (1) where the Company has actual knowledge, any Shareholder who 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 Shareholder in contravention of such requirement or restriction shall not be counted; (2) a minimum of 7 days' period is required for lodgment by Shareholder of a notice to nominate a Director other than the retiring Director and for the lodgment by the nominated person of a notice to indicate his willingness to be elected and such notice shall commence no earlier than the day after the despatch of the notice of meeting appointed for such election and end no later than 7 days before the date of such meeting; and (3) a Director shall abstain from voting at the board meeting on any matter in which not only he but also any of his associates has material interest and the Director shall not be counted towards the quorum of the relevant board meeting.

To align the Bye-laws with the amendments to the Listing Rules as well as to keep the Bye-laws more in line with the current practice of the Company, the Board proposes the Bye-laws be amended in the manner as set out in the Special Resolution.

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The brief description of the background to the proposed amendments to the Bye-laws in accordance with the amendments to Appendix 3 of the Listing Rules are as follows:

Bye-law No. Proposed changes

- 77A Where the Company has actual knowledge, any Shareholder who 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 vote casts by or on behalf of such Shareholder in contravention of such requirement or restriction shall not be counted.
- 88 A minimum of 7 days' period is required for lodgment by Shareholder of a notice to nominate a Director (other than the retiring Director) and for the lodgment by the nominated person of a notice to indicate his willingness to be elected and such notice 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 7 days before the date of such meeting.
- 103 Any matter in which a Director or his associates has material interest, such Director shall abstain from voting at the board meeting for the purpose of approving such matter and such Director shall not be counted in the quorum of the relevant board meeting.

The full text of the proposed amendments to the Bye-laws are set out in the SGM Notice contained on pages 10 to 16 of this circular.

5. SPECIAL GENERAL MEETING

Set out on pages 10 to 16 of this circular is the SGM Notice at which Ordinary Resolutions will be proposed to approve the Issue Mandate, the Repurchase Mandate and the extension of the Issue Mandate and Special Resolution will be proposed to approve the amendments to the Bye-laws.

6. ACTION TO BE TAKEN

A proxy form for use at the SGM is enclosed with this circular. Whether or not you intend to attend the SGM, you are requested to complete the proxy form and return it to the principal place of business of the Company in Hong Kong at 49th Floor, COSCO Tower, 183 Queen's Road Central, Hong Kong not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the proxy form will not preclude Shareholders from attending and voting in person at the SGM if they so wish.

7. PROCEDURE FOR DEMANDING A POLL

Pursuant to the Bye-law 66, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (a) by the chairman of such meeting; or

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- (b) by at least three members of the Company present in person or in the case of a member of the Company being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
- (c) by a member or members of the Company present in person or in the case of a member of the Company being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all the members of the Company having the right to vote at the meeting; or
- (d) by a member or members of the Company present in person or in the case of a member of the Company being a corporation by its duly authorised representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

A demand by a person as proxy for a member of the Company or in the case of a member of the Company being a corporation by its duly authorised representative shall be deemed to be the same as a demand by a member of the Company.

8. RECOMMENDATION

The Board believes that the Issue Mandate, the Repurchase Mandate, the extension of the Issue Mandate and the amendments to the Bye-laws as set out in the SGM Notice are all in the best interests of the Company and its Shareholders. Accordingly, the Directors recommend that all Shareholders should vote in favour of all the Ordinary Resolutions and the Special Resolution as set out in the SGM Notice.

Yours faithfully,
WEI Jiafu
Chairman

NOTICE OF SPECIAL GENERAL MEETING



COSCO Pacific Limited

(Incorporated in Bermuda with limited liability)

NOTICE IS HEREBY GIVEN that a Special General Meeting of COSCO Pacific Limited (the “Company”) will be held at 49th Floor, COSCO Tower, 183 Queen’s Road Central, Hong Kong on Friday, 21st May 2004 at 2:45 p.m. (or so soon thereafter as the Annual General Meeting of the Company convened for the same date and place at 2:30 p.m. shall have been concluded or adjourned) for the purpose of considering and, if thought fit, passing the following resolutions, with or without modifications, as ordinary resolutions and special resolution of the Company (as the case may be):

ORDINARY RESOLUTIONS

1. **“THAT:**

- (A) subject to paragraph (C) of this Resolution, the exercise by the directors of the Company (“Directors”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.10 each in the capital of the Company (“Shares”) and to make or grant offers, agreements and options (including warrants, bonds, notes and other securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require shares to be allotted be and is hereby generally and unconditionally approved;
- (B) the approval in paragraph (A) above shall authorize the Directors during the Relevant Period (as hereinafter defined) 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 shares to be allotted 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) and issued by the Directors pursuant to the approval in paragraph (A) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) an issue of Shares upon the exercise of subscription rights under any option scheme or similar arrangement for the time being adopted for the grant or issue to the grantee as specified in such scheme or similar arrangement of Shares or rights to acquire the Shares; or (iii) an issue of Shares pursuant to any scrip dividends or similar arrangement providing for allotment of Shares in lieu of the whole or part of the dividend on Shares in accordance with the Bye-laws of the Company, shall not exceed 20% of the aggregate nominal amount of the issued Share capital of the Company as at the date of passing this Resolution, and the said approval shall be limited accordingly; and

NOTICE OF SPECIAL GENERAL MEETING

- (D) for the purpose of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earliest 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 the Bye-laws of the Company and the applicable laws of Bermuda to be held; or
 - (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 or issue of option, warrants or other securities giving the right to subscribe for Shares, open for a period fixed by the Directors to the holders of Shares, or any class of Shares, whose name 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 (or, where appropriate, such other securities) 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 recognized regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company).”

2. **“THAT:**

- (A) subject to paragraph (B) of this Resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of HK\$0.10 each in the capital of the Company (“Shares”) on The Stock Exchange of Hong Kong Limited (“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 of Hong Kong 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 the Shares to be repurchased by the Company pursuant to the approval in paragraph (A) of this Resolution shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this Resolution and the said approval shall be limited accordingly; and
- (C) for the purposes of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earliest 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 the Bye-laws of the Company and the applicable laws of Bermuda to be held; or

NOTICE OF SPECIAL GENERAL MEETING

(iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

3. “**THAT** subject to the passing of Ordinary Resolutions Nos. 1 and 2 set out in the notice convening this meeting, the general mandate granted to the directors of the Company to exercise the powers of the Company to allot, issue and deal with additional shares of HK\$0.10 each in the Company (“Shares”) pursuant to the Ordinary Resolution No. 1 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 Shares in the capital of the Company repurchased by the Company under the authority granted pursuant to the Ordinary Resolution No. 2 set out in the notice convening this meeting, provided that such extended amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the Ordinary Resolution No. 2.”

SPECIAL RESOLUTION

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

- (A) By inserting the following new definition of “associate” in Bye-law 1:

“associate(s)” the meaning attributed to it in the rules of the Designated Stock Exchange.

- (B) By deleting the definition “clearing house” in Bye-law 1 and substituting therefor the following new definition:

“clearing house” a clearing house recognised by the laws of the jurisdiction in which the shares of the Company are listed or quoted on a stock exchange in such jurisdiction.

- (C) By inserting the words “, save for the use of share premium as expressly permitted by the Act,” after the words “issued share capital or” in the second line of Bye-law 6 and by deleting the words “in any manner permitted by law” from the last sentence of Bye-law 6;

- (D) By inserting the following words at the end of Bye-law 9:

“Where the Company purchases for redemption a redeemable share, purchases not made through the market or by tender shall be limited to a maximum price as may from time to time be determined by the Company in general meeting, either generally or with regard to specific purchases. If purchases are by tender, tenders shall be available to all Members alike.”

- (E) By deleting Bye-law 19 in its entirety and substituting the following therefor:

“19. Share certificates shall be issued in the case of an issue of shares within such period as prescribed by the Designated Stock Exchange (or such longer period as the terms of the issue provide) after allotment or in the case of a transfer of fully or partly paid shares within such period as prescribed by the Designated Stock Exchange after lodgment of a transfer with the Company, not being a transfer which the Company is for the time being entitled to refuse to register and does not register.”

NOTICE OF SPECIAL GENERAL MEETING

(F) By inserting the words “, in respect of any shares that are not fully paid,” after the words “held by him” in Bye-law 43(1)(a);

(G) By deleting the words “and may be under hand only” from Bye-law 46 and replacing therewith the following words:

“or in a form prescribed by the Designated Stock Exchange and may be under hand or, if the transferor or transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the Board may approve from time to time”

(H) By deleting the sentence “There shall be no requirement for the chairman to disclose the voting figures on a poll.” from Bye-law 68;

(I) By inserting the following new Bye-law 77A immediately following Bye-law 77:

“77A. Where the Company has actual knowledge that any member is, under the rules of any Designated Stock Exchange, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.”

(J) By deleting the last two sentences from Bye-law 78 and replacing therewith the following words:

“A Member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a Member. In addition, a proxy or proxies representing either a Member who is an individual or a Member which is a corporation shall be entitled to exercise the same powers on behalf of the Member which he or they represent as such Member could exercise.”

(K) By deleting the existing Bye-law 84(2) in its entirety and replacing therewith the following new Bye-law 84(2):

“(2) Where a Member is a clearing house (or its nominee(s) and, in each case, being a corporation), it may authorise such persons as it thinks fit to act as its representatives or proxies at any meeting of the Company or at any meeting of any class of Members provided that the authorisation or instrument of proxy shall specify the number and class of shares in respect of which each such person is so authorised or appointed. Each person so authorised or appointed under the provisions of this Bye-law shall be deemed to have been duly authorised or appointed without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by the clearing house (or its nominee(s)) in respect of the number and class of shares specified in the relevant authorisation or instrument of proxy including the right to vote individually on a show of hands.”

NOTICE OF SPECIAL GENERAL MEETING

(L) By deleting Bye-law 88 in its entirety and substituting the following therefor:

“88. No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless not less than seven (7) days before the date appointed for the meeting there shall have been lodged at the Office or at the head office notice in writing signed by a Member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected provided that the period for lodgment of the aforesaid notice shall commence not 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 general meeting.”

(M) By deleting the words “whereupon the Board resolves to accept such resignation” from Bye-law 89(1);

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

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

- (i) any contract or arrangement for the giving to such Director or his associate(s) any guarantee, security or indemnity in respect of money lent by him or any of his associate(s) or obligations incurred or undertaken by him or any of his associate(s) at the request of or for the benefit of the Company or any of its subsidiaries (as defined by the rules, where applicable, of any Designated Stock Exchange);
- (ii) any contract or arrangement for the giving of any guarantee, security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries (as defined by the rules, where applicable, of any Designated Stock Exchange) for which the Director or his associate(s) has himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (iii) any contract or arrangement concerning an offer 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 the Director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (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 or arrangement 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 a shareholder other than a company in which the Director and any of his

NOTICE OF SPECIAL GENERAL MEETING

associates is/are in aggregate beneficially interested in five (5)% or more of the issued shares or of the voting rights of any class of shares of such company (or any third company through which his interest or that of his associate(s) is derived); or

- (vi) any proposal or arrangement concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death or disability benefits scheme or other arrangement which relates both to directors, his associate(s) and employees of the Company or of any of its subsidiaries (as defined by the rules, where applicable, of any Designated Stock Exchange) and does not provide in respect of any Director or his associate(s) as such any privilege or advantage not accorded to the employees to which such scheme or fund relates.

(2) A company shall be deemed to be a company in which a Director and/or his associate(s) owns five (5) per cent. or more if and so long as (but only if and so long as) he and/or his associates, (either directly or indirectly) are the holders of or beneficially interested in five (5) per cent. or more of any class of the equity share capital of such company or of the voting rights available to members of such company (or of any third company through which his/their interest or that of any of his associates is derived). 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 is interested only as a unit holder.

(3) Where a company in which a Director and/or his associate(s) holds five (5) per cent. or more is/are materially interested in a transaction, then that Director and/or his associate(s) shall also be deemed materially interested in such transaction.

(4) If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the chairman of the meeting) or as to the entitlement of any Director (other than such chairman) to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, 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 such chairman shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman as known to such chairman has not been fairly disclosed to the Board.”

- (O) By inserting the words “and Bye-law 153A” after the words “Subject to Section 88 of the Act” in the first sentence of Bye-law 153; and

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(P) By inserting the word “or electronic” after the word “facsimile” in the first sentence of Bye-law 163.

By Order of the Board
HUNG Man
Company Secretary

Hong Kong, 22nd April 2004

Principal Place of Business:

49th Floor, COSCO Tower
183 Queen’s Road Central
Hong Kong

Notes:

1. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company but must be present in person to represent the member.
2. To be valid, the proxy form together with any power of attorney or other authority under which it is signed or a certified copy of such power or authority must be deposited at the principal place of business of the Company at 49th Floor, COSCO Tower, 183 Queen’s Road Central, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
3. Where there are joint holders of any shares in the Company, any one of such joint holders may vote at the meeting, either in person or by proxy, in respect of such shares as if he were solely entitled thereto, but if more than one of such joint holders be present at the meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.