



SA SA INTERNATIONAL HOLDINGS LIMITED

莎莎國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 178)

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Taking into account of the recent enactments of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), the latest amendments to the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) particularly Appendix 3, the board of directors (“Board”) of Sa Sa International Holdings Limited (“Company”) proposes to put forward to the shareholders for approval at the annual general meeting of the Company (“Annual General Meeting”) by special resolution to amend the Articles of Association of the Company (“Articles of Association”), among other things:

- (i) to amend the definitions of “Associates”, “recognised clearing house” “subsidiary and holding company” and “writing/printing”;
- (ii) to require the minimum seven-day period for lodgment by shareholders of the notice to nominate a director to commence no earlier than the day after the despatch of the notice of the meeting appointed for such election and end no later than seven days before the date of such meeting;
- (iii) to prohibit directors from voting at and being counted towards the quorum of the Board meeting on any matter in which any of his associates has a material interest;
- (iv) to exclude the votes cast by a shareholder in contravention of a requirement or restriction under the Listing Rules;
- (v) to enable the removal of a director at any time before the expiration of his period of office by ordinary resolution at general meeting;
- (vi) to allow notice for shareholders and directors to be given by, inter alia, electronic means; and
- (vii) to include other minor amendments for general improvements on corporate governance.

The above proposed amendments are subject to the approval of the shareholders of the Company at the Annual General Meeting to be held at Chatham Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Thursday, 26th August 2004 at 11:00 a.m. by way of a special resolution. A circular containing, among other things, particulars of the proposed amendments to the Articles of Association will be sent to shareholders together with the annual report of the Company for the year ended 31st March 2004.

As at the date of this announcement, the Board comprises of the following directors:–

Executive Directors:

Mr. Kwok Siu Ming, Simon

Mrs. Kwok Law Kwai Chun, Eleanor

Mr. Look Guy

Non-executive Director:

Mrs. Lee Look Ngan Kwan, Christina

Independent Non-executive Directors:

Professor Chan Yuk Shee, J.P.

Dr. Leung Kwok Fai, Thomas, J.P.

Ms. Tam Wai Chu, Maria, GBS, J.P.

By Order of the Board
Kwok Siu Ming, Simon
Chairman and Chief Executive Director

Hong Kong, 13th July 2004

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of Sa Sa International Holdings Limited (“Company”) will be held at Chatham Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Thursday, 26th August 2004 at 11:00 a.m. for the following purposes:–

1. To receive and consider the audited consolidated financial statements and the reports of the directors and auditors for the year ended 31st March 2004.
2. To consider and declare a final dividend and a special dividend for the year ended 31st March 2004.
3. To re-elect the retiring directors and to authorise the board of directors (“Board”) to fix the directors’ remuneration.
4. To re-appoint auditors and to authorise the Board to fix their remuneration.

As special business, to consider and, if thought fit, pass, with or without amendments, the following resolutions as ordinary resolutions of the Company:–

ORDINARY RESOLUTIONS

5. **“THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (“Stock Exchange”) granting approval of the listing of, and permission to deal in, the shares of HK\$0.10 each (“Share”) in the share capital of the Company to be issued pursuant to the exercise of options which may be granted under the Refreshed Scheme Mandate Limit (as defined below), pursuant to clause 7.2 of the share option scheme adopted by the Company on 29th August 2002 (“Scheme”), approval be and is hereby generally and unconditionally granted for “refreshing” the 10 per cent. limit under the Scheme provided that (i) the total number of Shares which may be issued upon exercise of options to be granted to (and subject to acceptance by) a Participant (as defined in the Scheme) on or after the date of the approval of the shareholders of the Company (“Shareholders”) (“Refreshment Date”), together with all options to be granted under any other share option scheme(s) of the Company on or after the Refreshment Date, must not exceed 10 per cent. of the number of issued Shares as at the Refreshment Date (“Refreshed Scheme Mandate Limit”); and (ii) options granted to (and subject to acceptance by) a Participant prior to the Refreshment Date under the Scheme or any other share option scheme(s) of the Company (including those outstanding, cancelled, lapsed or exercised in accordance with the Scheme or such other scheme(s) of the Company) shall not be counted for the purpose of calculating the Refreshed Scheme Mandate Limit and any director of the Company (“Director”) be and is hereby authorised to do such act and execute such document to effect the Refreshed Scheme Mandate Limit.”
6. **“THAT:–**
 - (A) subject to paragraph 6(C) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with unissued shares in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers be and is hereby generally and unconditionally approved;

- (B) the approval in paragraph 6(A) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which would or might require the exercise of such powers 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 6(A) and (B), otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) an issue of shares under any options granted under the share option schemes adopted by the Company; (iii) an issue of shares upon the exercise of subscription rights attached to the warrants which might be issued by the Company; (iv) an issue of shares in lieu of the whole or part of a dividend pursuant to any scrip dividend scheme or similar arrangement in accordance with the articles of association of the Company (“Articles of Association”); and (v) any adjustment, after the date of grant or issue of any options, rights to subscribe or other securities referred to in (ii) and (iii) above, in the price at which shares in the Company shall be subscribed, and/or in the number of shares in the Company which shall be subscribed, on exercise of relevant rights under such options, warrants or other securities, such adjustment being made in accordance with, or as contemplated by, the terms of such options, rights to subscribe or other securities, shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the time of passing this resolution; and
- (D) for the purposes of this resolution:–

“Relevant Period” means the period from the time of the passing of this resolution until whichever is the earliest of:–

- (i) the conclusion of the next annual general meeting of the Company (“Annual General Meeting”);
- (ii) the expiration of the period within which the next Annual General Meeting is required by the memorandum and Articles of Association or any applicable laws of Cayman Islands to be held; and
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the Shareholders in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares on the register of members on a fixed record date in proportion to their then holdings of such shares (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 any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange).”

7. **“THAT:–**

- (A) subject to paragraph 7(C) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to purchase issued shares in the capital of the Company on the Stock Exchange or 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, and that the exercise by the Directors of all powers of the Company to purchase such securities are subject to and in accordance with all applicable laws and/or requirement of the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”) or any other stock exchange from time to time, be and is hereby, generally and unconditionally approved;
- (B) the approval in paragraph 7(A) shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to purchase its shares at a price determined by the Directors;
- (C) the aggregate nominal amount of share capital of the Company purchased or agreed conditionally or unconditionally to be purchased by the Company pursuant to the approval in paragraph 7(A) during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the time of passing this resolution; and
- (D) for the purposes of this resolution:–

“Relevant Period” means the period from the time of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next Annual General Meeting;
- (ii) the expiration of the period within which the next Annual General Meeting is required by the memorandum and Articles of Association or any applicable laws of Cayman Islands to be held; and
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the Shareholders in general meeting.”

8. **“THAT** conditional upon the passing of the ordinary resolutions numbered 6 and 7 in the notice convening this meeting, the aggregate nominal amount of the shares in the capital of the Company which are purchased by the Company pursuant to and in accordance with the said resolution numbered 7 shall be added to the aggregate nominal amount of the share capital of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to and in accordance with the resolution numbered 6 set out in this notice of meeting.”

As special business, to consider and, if thought fit, pass, with or without amendments, the following resolution as special resolution of the Company:–

SPECIAL RESOLUTION

9. **“THAT** the existing Articles of Association be and are hereby amended in the following manner:–

(A) By deleting the definitions of “Associates”, “recognised clearing house”, “subsidiary and holding company” and “writing/printing” in Article 2 and replacing them with the following new definitions:

“Associates “Associates”, in relation to any Director, shall have the meaning assigned to it by the Listing Rules from time to time;

recognised clearing house “recognised clearing house” shall have the meaning ascribed thereto in Part I of Schedule 1 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 and includes every other law incorporated therewith or substituted therefor;

subsidiary and holding company “subsidiary” and “holding company” shall have the meanings attributed to such terms in the Companies Ordinance, but interpreting the term “subsidiary” in accordance with the definition of “subsidiary” under the Listing Rules;

writing/printing “writing” or “printing” shall include writing, printing, lithograph, photograph, type-writing and every other mode of representing words or figures in a legible and non-transitory form and, only where used in connection with a notice served by the Company on members or other persons entitled to receive notices hereunder, shall also include a record maintained in an electronic medium which is accessible in visible form so as to be useable for subsequent reference;”

(B) By inserting the following new definitions in Article 2:

“the Company’s Website “the Company’s Website” shall mean the website of the Company, the address or domain name of which has been notified to members;

electronic “electronic” shall have the meaning given to it in the Electronic Transactions Law 2000 of the Cayman Islands and any amendment thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefore;

Electronic Signature

“Electronic Signature” means an electronic symbol or process attached to or logically associated with an electronic communication and executed or adopted by a person with the intent to sign the electronic communication;”

(C) By deleting Article 15(c) and replacing it with the following:

“15(c) The register may, on 14 days’ notice being given by advertisement published in the newspapers, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as herein provided, be closed at such times and for such periods as the Board may from time to time determine, either generally or in respect of any class of shares, provided that the register shall not be closed for more than 30 days in any year (or such longer period as the members may by ordinary resolution determine provided that such period shall not be extended beyond 60 days in any year). The Company shall, on demand, furnish any person seeking to inspect the register or part thereof which is closed by virtue of this Article with a certificate under the hand of the Secretary stating the period for which, and by whose authority, it is closed.”

(D) By deleting Article 28 and replacing it with the following:

“28 In addition to the giving of notice in accordance with Article 26, notice of the person appointed to receive payment of every call and of the times and places appointed for payment may be given to the members affected by notice published in the newspapers or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as herein provided.”

(E) By deleting Article 44 and replacing it with the following:

“44 The registration of transfers may, on 14 days’ notice being given by advertisement published in the newspapers, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as herein provided, be suspended and the register closed at such times for such periods as the Board may from time to time determine, provided always that such registration shall not be suspended or the register closed for more than 30 days in any year (or such longer period as the members may by ordinary resolution determine provided that such period shall not be extended beyond 60 days in any year).”

(F) By deleting Article 76 and replacing it with the following:

“76 For all purposes the quorum for a general meeting shall be two members present in person (or in the case of a corporation, by its duly authorised representative) or by proxy provided always that if the Company has only one member of record the quorum shall be that one member present in person or by proxy. No business (except the appointment of a Chairman) shall be transacted at any general meeting unless the requisite quorum shall be present at the commencement of the business.”

(G) By deleting Article 77 and replacing it with the following:

“77 If within 15 minutes from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved, but in any other case it shall stand adjourned to the same day in the next week and at such time and place as shall be decided by the Board, and if at such adjourned meeting a quorum is not present within 15 minutes from the time appointed for holding the meeting, the member or members present in person (or in the case of a corporation, by its duly authorised representative) or by proxy shall be a quorum and may transact the business for which the meeting was called.”

(H) By deleting Article 80 and replacing it with the following:

“80 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 duly demanded or otherwise required under the Listing Rules. A poll may be demanded by:–

- (a) the Chairman of the meeting; or
- (b) at least five members present in person or by proxy and entitled to vote; or
- (c) any member or members present in person (or in the case of a corporation, by its duly authorised representative) or by proxy and representing in the aggregate not less than one-tenth of the total voting rights of all members having the right to attend and vote at the meeting; or
- (d) any member or members present in person (or in the case of a corporation, by its duly authorised representative) or by proxy and holding shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

Unless a poll is so required or demanded and, in the latter case, not withdrawn, a declaration by the Chairman that a resolution has on a show of hands been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the Company’s book containing the minutes of proceedings of meetings of the Company shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.”

(I) By deleting Article 81 and replacing it with the following:

“81(a) If a poll is required or demanded as aforesaid, it shall (subject as provided in Article 82) be taken in such manner (including the use of ballot or voting papers or tickets) and at such time and place, not being more than 30 days from the date of the meeting or adjourned meeting at which the poll was required or demanded as the Chairman directs. No notice need be given of a poll not taken immediately. The result of the

poll shall be deemed to be the resolution of the meeting at which the poll was required or demanded. The demand for a poll may be withdrawn, with the consent of the Chairman, at any time before the close of the meeting at which the poll was demanded or the taking of the poll, whichever is earlier.

(b) The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.”

(J) By deleting Article 83 and replacing it with the following:

“83 In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is required or demanded, shall be entitled to a second or casting vote.”

(K) By re-numbering Article 85 as Article 85(a) and adding the following as the new Article 85(b) immediately after Article 85(a):

“85(b) Where 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.”

(L) By deleting Articles 107(c)(i)-(v) and replacing them with the following:

“107(c) A Director shall not be entitled to vote on (nor shall be counted in the quorum in relation to) any resolution of the Board in respect of any contract or arrangement or any other proposal whatsoever in which he or any of his Associates has any material interest, and if he shall do so his vote shall not be counted (nor is he to be counted in the quorum for the resolution), but this prohibition shall not apply to any of the following matters, namely:

(i) the giving of any security or indemnity either:

(aa) to the Director or any of his Associates in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries;

(bb) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or any of his Associates has himself/ themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;

(ii) any proposal 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 any of his Associates is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;

- (iii) any proposal concerning any other company in which the Director is interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the Director or any of his Associates is/are beneficially interested in the shares of that company, provided that, the Director and any of his Associates is/are not, in aggregate, beneficially interested in 5 per cent. or more of the issued shares of any class 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;
- (iv) any proposal or arrangement concerning the benefit of employees of the Company or any of its subsidiaries including:–
 - (aa) the adoption, modification or operation of any employees' share scheme or any share incentive scheme or share option scheme under which the Director or any of his Associates may benefit;
 - (bb) the adoption, modification or operation of a pension or provident fund or retirement, death or disability benefits scheme which relates both to Directors, their Associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or any of his Associates as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and
- (v) any contract or arrangement in which the Director or any of his Associates 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.”

(M) By deleting Article 107(e) and replacing it with the following:

“107(e) A company shall be deemed to be a company in which a Director and/or any of his Associates has an interest of 5 per cent. or more if and so long as (but only if and so long as) he and/or any of his Associates, (either directly or indirectly) is/are the holder(s) of or beneficially interested in 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 available to members of such company (or of any third company through which his 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 any of his Associates 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 any of his Associates 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 any of his Associates 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.”

(N) By deleting Article 107(f) and replacing it with the following:

“107(f) Where a company in which a Director and/or any of his Associates has an interest of 5 per cent. or more is materially interested in a transaction, then that Director and/or any of his Associates shall also be deemed materially interested in such transaction.”

(O) By inserting the following as new Article 107(g):

“107(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 any of his Associates 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 or any of his Associates shall be final and conclusive except in a case where the nature or extent of the interest of the Director or any of his Associates 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 or any of his Associates, 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 or any of his Associates as known to such Chairman has not been fairly disclosed to the Board.

For the purposes of this paragraph and in relation to an alternate Director, an interest of his appointor or any of his Associates shall be treated as an interest of the alternate Director without prejudice to any interest which the alternate Director has otherwise.”

(P) By deleting Article 112(c)(i) and replacing it with the following:

“112(c)(i) make a loan to a Director or his Associates or a director of any holding company of the Company;”

(Q) By deleting Article 120 and replacing it with the following:

“120 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 a 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 as a Director and also a notice in writing signed by that person to be proposed of his willingness to be elected shall have been given to the Company for a period of at least seven days which 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 before the date of such general meeting.”

(R) By deleting the words “special resolution” in the first line in Article 122 and replacing it with the words “ordinary resolution”.

(S) By deleting Article 133 and replacing it with the following:

“133 A resolution in writing signed by each and every one of the Directors or their respective alternates pursuant to Article 100(c) or members of any committee of Directors formed pursuant to Article 128 shall be as valid and effectual as if it had been passed at a meeting of the Board or any committee of Directors duly convened and held and may consist of several documents in like form each signed by one or more of the Directors or alternate Directors or members of any committee of Directors.”

(T) By inserting the following new clause at the end of Article 158:

“158 Notwithstanding any provision contained in these Articles, the Directors may, if permitted by applicable law, authorise the destruction of any documents referred to in this Article or any other documents in relation to share registration which have been microfilmed or electronically stored by the Company or by the share registrar on its behalf 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 might be relevant to a claim.”

(U) By deleting Article 167(a) and replacing it with the following:

“167(a) Except as otherwise provided in these Articles, any notice or document may be served by the Company and any notices may be served by the Board on any member either personally or by sending it through the post in a prepaid letter addressed to such member at his registered address as appearing in the register or, to the extent permitted by the Listing Rules and all applicable laws and regulations, by electronic means by transmitting it to any facsimile number, electronic number or address or website supplied by the member to the Company or by placing it on the Company’s Website provided that the Company has obtained the member’s prior express positive confirmation in writing to receive or otherwise have made available to him notices and documents to be given or issued to him by the Company by such electronic means, or (in the case of notice) by advertisement published in the newspapers. In the case of joint holders of a share, all notices shall be given to that holder for the time being whose name stands first in the register and notice so given shall be sufficient notice to all the joint holders.”

(V) By deleting Article 168 and replacing it with the following:

“168 A member shall be entitled to have notice served on him at any address within Hong Kong. Any member who has not given an express positive confirmation in writing to the Company to receive or otherwise have made available to him notices and documents to be given or issued to him by the Company by electronic means and whose registered address is outside Hong Kong may notify the Company in writing of an address in Hong Kong which for the purpose of service of notice shall be deemed to be his registered address. A member who has no registered address in Hong Kong shall be deemed to have received any notice which shall have been displayed at the transfer office and shall have remained there for a period of 24 hours and such notice shall be deemed to have been received by such member on the day following that on which it

shall have been first so displayed, provided that, without prejudice to the other provisions of these Articles, nothing in this Article 168 shall be construed as prohibiting the Company from sending, or entitling the Company not to send, notices or other documents of the Company to any member whose registered address is outside Hong Kong.”

(W) By inserting the following new clause at the end of Article 169:

“169 Any notice given by electronic means as provided herein shall be deemed to have been served and delivered on the day following that on which it is successfully transmitted or at such later time as may be prescribed by the Listing Rules or any applicable laws of regulations.”

(X) By deleting Article 173 and replacing it with the following:

“173 The signature to any notice to be given by the Company may be written or printed by means of facsimile or, where relevant, by Electronic Signature.”

By Order of the Board
Ho Sze Nga, Maggie
Company Secretary

Hong Kong, 13th July 2004

Notes:

1. The register of members of the Company will be closed from 23rd August 2004 to 26th August 2004, both days inclusive, during which period no transfer of Shares will be effected. All transfers accompanied by the relevant share certificates must be lodged with the Company’s branch share and transfer office, Abacus Share Registrars Limited at 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 20th August 2004.
2. Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (who must be an individual) as his proxy to attend and vote instead of him. On a poll votes may be given either personally or by proxy. A proxy need not be a member of the Company. A member may appoint more than one proxy to attend in his stead.
3. The enclosed form of proxy and (if required by the Board) the power of attorney or other authority (if any), under which it is signed, or a notarially certified copy of such power or authority shall be deposited at the Company’s branch share and transfer office, Abacus Share Registrars Limited at G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not less than forty-eight hours before the time appointed for holding the above meeting or adjourned meeting at which the person named in the enclosed form of proxy proposes to vote, or, in the case of a poll taken subsequently to the date of the above meeting or adjourned meeting, not less than forty-eight hours before the time appointed for the taking of the poll, and in default the enclosed form of proxy shall not be treated as valid provided always that the chairman of the meeting may at his discretion direct that an instrument of proxy shall be deemed to have been duly deposited upon receipt of telex or cable or facsimile confirmation from the appointor that the instrument of proxy duly signed is in the course of transmission to the Company. Delivery of any instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

4. Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present being the most, or as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register in respect of the relevant joint holding.
5. The enclosed form of proxy must be signed by the appointor or of his attorney authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person duly authorised to sign the same.

“Please also refer to the published version of this announcement in China Daily”.