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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action you should take, 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 **Regal Hotels International Holdings Limited**, you should at once hand this circular and the accompanying 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.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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**GENERAL MANDATE TO REPURCHASE ORDINARY SHARES AND  
5¼% CONVERTIBLE CUMULATIVE REDEEMABLE PREFERENCE SHARES,  
ALTERATION OF BYE-LAWS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the 2004 Annual General Meeting of Regal Hotels International Holdings Limited (the “Company”) to be held at the Regal Hongkong Hotel, 88 Yee Wo Street, Causeway Bay, Hong Kong on Friday, 18th June, 2004 at 11:00 a.m. is appended to this circular. If you do not 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 Company’s branch registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Rooms 1901-5, 19th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the Meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the Meeting or at any adjourned meeting should you so wish.

30th April, 2004

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## LETTER FROM THE CHAIRMAN

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(Stock Code: 78)

*Directors:*

LO Yuk Sui (*Chairman and Managing Director*)

Donald FAN Tung

\*Dominic LAI

Tommy LAM Chi Chung

#Kitty LO LEE Kit Tai

Jimmy LO Chun To

Kenneth NG Kwai Kai

\*Thomas NG Wai Hung

#Kai Ole RINGENSON

\*Alex WU Shu Chih, CBE, LL D, FBIM FIOP, F Inst D, JP

Belinda YEUNG Bik Yiu

*Head office and principal place  
of business:*

18th Floor

Paliburg Plaza

68 Yee Wo Street

Causeway Bay

Hong Kong

\* *Independent Non-Executive Directors*

# *Non-Executive Directors*

30th April, 2004

*To the Shareholders*

Dear Sir or Madam,

**GENERAL MANDATE TO REPURCHASE ORDINARY SHARES AND  
5¼% CONVERTIBLE CUMULATIVE REDEEMABLE PREFERENCE SHARES,  
ALTERATION OF BYE-LAWS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

The purpose of this circular is to provide to Shareholders of the Company further information on the resolutions relating to (1) the grant of a general mandate (the “Repurchase Mandate”) to the Directors for the repurchase of ordinary shares of HK\$0.01 each (“Ordinary Shares”) and 5¼% convertible cumulative redeemable preference shares of US\$10.00 each (“Convertible Preference Shares”) of the Company on the terms set out in the Ordinary Resolution 4(A) (the “Repurchase Proposal”) and (2) the alteration to the Bye-laws of the Company (the “Bye-laws”) in the manners set out in the Special Resolution, to be proposed at the forthcoming Annual General Meeting of the Company to be held on 18th June, 2004 (the “2004 Annual General Meeting”). The notice of the 2004 Annual General Meeting is contained in pages 8 to 14 of this circular and details relating to the procedures of voting by poll at general meetings of the Company are set out in Appendix II to this circular.

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## LETTER FROM THE CHAIRMAN

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### General Mandate to Repurchase Shares

The Directors wish to seek the approval of Shareholders to the Repurchase Mandate for the Repurchase Proposal. The explanatory statement regarding the Repurchase Proposal required to be sent to Shareholders in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”) is set out in Appendix I to this circular.

### Alteration of Bye-laws

With a view to providing flexibility to the Company for the issue of summary financial report to Shareholders and the despatch of corporate communications (within the meaning ascribed thereto under the Listing Rules) by electronic means and either in English or Chinese pursuant to the amended provisions under The Companies Act of Bermuda and/or the Listing Rules as well as to conforming with the new requirements promulgated by the recent changes in the Listing Rules on corporate governance issues which came into effect on 31st March, 2004, the Directors have resolved to propose to Shareholders for approval, certain amendments to the Company’s Bye-laws. The proposed amendments to the Bye-laws are briefly described below:

- (1) The Company will be permitted to offer to Shareholders the choice to receive a summary financial report in place of the Company’s full annual report and accounts from which the summary financial report is derived;
- (2) The Company will be permitted to send corporate communications to Shareholders with their prior approval by electronic means;
- (3) The Company will be permitted to send corporate communications to Shareholders either in English or Chinese;
- (4) If a Director or any of his associates (as defined in the Listing Rules) has a material interest in any contract, arrangement or proposal which requires approval of the Board of Directors of the Company, the Director concerned shall not vote on the relevant board resolution approving such proposed transaction and shall not be counted in the quorum of the meeting of the Board of Directors to be held for considering the proposed transaction, except under certain circumstances permitted under the Listing Rules;
- (5) The minimum period for lodgment of a notice to nominate a person as a Director of the Company shall commence from the day after the despatch of the notice of the general meeting appointed for the election of Director(s) and end no later than 7 days prior to the date of such meeting; and
- (6) where any Shareholder is, under the Listing Rules, required to abstain from voting on or restricted to vote only for or only against any particular resolution, any votes cast by or on behalf of that Shareholder in contravention thereto shall not be counted.

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## LETTER FROM THE CHAIRMAN

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A Special Resolution, as contained in the notice of the 2004 Annual General Meeting appended to this circular, setting out details of the above proposed amendments to the Company's Bye-laws will be put forth to Shareholders for their approval at the 2004 Annual General Meeting.

Yours faithfully,

**LO YUK SUI**  
*Chairman*

This is the explanatory statement to provide requisite information to you for your consideration of the Repurchase Proposal, as required by the relevant rules set out in the Listing Rules to regulate the repurchase by companies with primary listings on the Stock Exchange of their own securities on the Stock Exchange or on another stock exchange recognised for this purpose by the Securities and Futures Commission and the Stock Exchange. The Ordinary Shares are listed on the Stock Exchange and the Convertible Preference Shares are listed on Société de la Bourse de Luxembourg (“Luxembourg Stock Exchange”).

## **1. SHARE CAPITAL**

As at 23rd April, 2004 (the latest practicable date prior to the printing of this circular), there were 8,145,439,162 Ordinary Shares and 16,748 Convertible Preference Shares in issue respectively.

Subject to the passing of the Ordinary Resolution 4(A) referred to in the letter from the Chairman preceding this appendix, the Company would be allowed under the buy back mandate to repurchase a maximum of 814,543,916 Ordinary Shares and 1,674 Convertible Preference Shares, on the assumption that there will be no variation in the issued Ordinary Shares and Convertible Preference Shares during the period up to 18th June, 2004.

## **2. REASONS FOR REPURCHASES**

The Directors believe that the Repurchase Proposal is in the interests of the Company and its Shareholders. Such purchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per share or may otherwise be in the interests of the Company, and will only be made when the Directors believe that such purchases will benefit the Company and its Shareholders.

## **3. FUNDING OF REPURCHASES**

Pursuant to the buy back mandate, repurchases would be funded entirely from the Company’s funds legally available for the purpose in accordance with the Company’s Memorandum of Association and Bye-laws and the laws of Bermuda. Any shares repurchased under the buy back mandate must be funded out of the capital paid up on the repurchased shares or the funds of the Company which would otherwise be available for dividend or distribution, or out of the proceeds of a fresh issue of shares. Any premium payable on the repurchase must be provided for out of the funds of the Company otherwise available for dividend or distribution or out of Company’s share premium account before the shares are repurchased.

There might be 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 proposed repurchases were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the buy back 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.

#### 4. SHARE PRICES

The highest and lowest prices at which the Ordinary Shares and the Convertible Preference Shares of the Company have traded on the Stock Exchange and Luxembourg Stock Exchange respectively in each of the previous twelve months were as follows:

	Ordinary Shares		Convertible Preference Shares	
	Highest	Lowest	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>	<i>US\$</i>	<i>US\$</i>
April 2003	0.057	0.050	325.000	325.000
May 2003	0.058	0.050	325.000	325.000
June 2003	0.051	0.047	325.000	325.000
July 2003	0.097	0.047	325.000	215.000
August 2003	0.248	0.080	325.000	215.000
September 2003	0.240	0.160	325.000	215.000
October 2003	0.189	0.135	325.000	215.000
November 2003	0.168	0.125	325.000	215.000
December 2003	0.184	0.130	325.000	215.000
January 2004	0.230	0.172	325.000	215.000
February 2004	0.285	0.173	325.000	215.000
March 2004	0.305	0.250	325.000	215.000

**Note:** The Convertible Preference Shares have a Reference Amount of US\$1,000 each for the purposes of redemption and conversion.

#### 5. DISCLOSURE OF INTERESTS

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

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Ordinary Resolution 4(A) in accordance with the Listing Rules and the laws of Bermuda.

No other connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell shares to the Company, or have undertaken not to do so, in the event that the Repurchase Proposal is approved by Shareholders.

As at 23rd April, 2004 (the latest practicable date prior to the printing of this circular), Paliburg Holdings Limited (“Paliburg”), a listed subsidiary of Century City International Holdings Limited of which Mr. Lo Yuk Sui is the Chairman and controlling shareholder, held approximately 58.63% shareholding interests in the issued ordinary share capital of the Company. Based on information known to date, the Directors are not aware of any consequences which may arise under the Hong Kong Code on Takeovers and Mergers even if the Repurchase Mandate granted to the Directors pursuant to the Repurchase Proposal were to be carried out in full. Nevertheless, the Directors do not intend to exercise the Repurchase Mandate to such extent as would, in the circumstances, trigger any potential consequences under the Hong Kong Code on Takeovers and Mergers.

## **6. SHARE PURCHASES MADE BY THE COMPANY**

The Company has not purchased any of its shares (whether on the Stock Exchange or otherwise) in the six months preceding the date of this circular.



Pursuant to the Bye-laws of the Company, the procedures of voting by poll on the resolutions to be put forth for Shareholders' approval at the 2004 Annual General Meeting of the Company are as follows:

- (1) According to Bye-law 78, at any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:
  - (a) by the Chairman of the meeting; or
  - (b) by at least three Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
  - (c) by any Shareholder or Shareholders present in person (or, in the case of a Shareholder 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 Shareholders having the right to vote at the meeting; or
  - (d) by a Shareholder or Shareholders present in person (or, in the case of a Shareholder 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.
- (2) According to Bye-law 79, if a poll is demanded as aforesaid under Bye-law 78, it shall 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 thirty days from the date of the meeting or adjourned meeting at which the poll was demanded, as the Chairman directs. No notice need to 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 demanded. The demand for a poll may be withdrawn, with the consent of the Chairman, at any time before the close of the meeting or the taking of the poll, whichever is the earlier.

In accordance with the requirements under Chapter 13 of the Listing Rules, the Company will publish an announcement in newspapers the results of any voting by poll at the 2004 Annual General Meeting on the business day following the Meeting.

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## NOTICE OF ANNUAL GENERAL MEETING

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(Stock Code: 78)

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of the Company will be held at the Regal Hongkong Hotel, 88 Yee Wo Street, Causeway Bay, Hong Kong on Friday, 18th June, 2004 at 11:00 a.m. for the following purposes:

1. To receive and consider the Audited Financial Statements and the Reports of the Directors and the Auditors for the year ended 31st December, 2003.
2. To elect Directors.
3. To appoint Auditors and authorise the Board of Directors to fix their remuneration.
4. To consider and, if thought fit, pass the following resolutions as Ordinary Resolutions:

(A) **“THAT:**

- (a) subject to paragraphs (b) and (c) below, the exercise by the Directors during the Relevant Period of all the powers of the Company to purchase shares in the capital of the Company, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of ordinary shares of HK\$0.01 each in the capital of the Company (“Ordinary Shares”) which may be purchased by the Company pursuant to paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the Ordinary Shares in issue at the date of this Resolution, and the said approval shall be limited accordingly;
- (c) the aggregate nominal amount of 5¼ per cent. Convertible Cumulative Redeemable Preference Shares of US\$10.00 each in the capital of the Company (“Convertible Preference Shares”) which may be purchased by the Company pursuant to paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the Convertible Preference Shares in issue at the date 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;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (ii) the expiration of the period within which the next Annual General Meeting is required by the Bye-laws of the Company or The Companies Act 1981 of Bermuda or any other applicable law of Bermuda 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.”

(B) **“THAT** the exercise by the Directors during the Relevant Period (as defined in Resolution 4(A) set out in the Notice of this Meeting) of all the powers of the Company to issue, allot and dispose of additional Ordinary Shares of the Company (including making and granting offers, agreements and options which would or might require Ordinary Shares to be issued, allotted or disposed of, whether during or after the end of the Relevant Period) be and is hereby generally and unconditionally approved, provided that, otherwise than pursuant to a rights issue where Ordinary Shares are offered to shareholders on a fixed record date in proportion to their then holdings of Ordinary 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, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong), the additional Ordinary Shares issued, allotted or disposed of (including Ordinary Shares agreed conditionally or unconditionally to be issued, allotted or disposed of, whether pursuant to an option or otherwise) shall not in aggregate exceed 20% of the aggregate nominal amount of the Ordinary Shares in issue at the date of this Resolution, and the said approval shall be limited accordingly.”

(C) **“THAT** the general mandate granted to the Directors under Resolution 4(B) above be and is hereby extended by the addition of an amount representing the aggregate nominal amount of Ordinary Shares purchased by the Company pursuant to the general mandate approved in Resolution 4(A) above.”

5. To consider and, if thought fit, pass the following resolution as a Special Resolution:

**“THAT** the existing Bye-laws of the Company be and are hereby altered as follows:

(A) in Bye-law 1:

- (a) by inserting the following new definition of “associate” after the existing definition of “clearing house”:

““associate” shall have the meaning attributed to it in the rules of the stock exchange in the Relevant Territory.”; and

- (b) by inserting the following two new paragraphs at the end of Bye-law 1:

“Expressions referring to writing shall, unless the contrary intention appears, be construed as including printing, lithography, photography and other modes of representing words or figures in a visible form, and including where the representation

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takes the form of electronic display, provided that the same is available for download onto a user's computer or for printing through conventional small office equipment and, in each case, the member concerned (where the relevant provision of these Bye-laws require the delivery or service of any document or notice on him in his capacity as member) has elected for the receipt of the relevant download or notice through electronic means and both the mode of service of the relevant document or notice and the member's election comply with all applicable Statutes, rules and regulations.

References to a document being executed include references to it being executed under hand or under seal or by electronic signature or by any other method and references to a notice or document include a notice or document recorded or stored in any digital, electronic, electrical, magnetic or other retrievable form or medium and information in visible form whether having physical substance or not.”;

(B) by re-numbering the existing Bye-law 89(B) as Bye-law 89(C);

(C) by inserting the following as new Bye-law 89(B):

“(B) Where any member of the Company is, under the rules of the stock exchange in the Relevant Territory, 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.”;

(D) by deleting the existing Bye-law 108(B)(ii) in its entirety and substituting therefor the following new Bye-law 108(B)(ii):

“(ii) 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 associate(s) is/are materially interested, but this prohibition shall not apply to any of the following matters namely:

- (a) any contract, arrangement or proposal for giving the Director or his associate(s) any security or indemnity in respect of money lent by him or any of his associate(s) or obligations undertaken by him or any of his associate(s) for the benefit of the Company or any of its subsidiaries;
- (b) any contract, arrangement or proposal for the Company or any of its subsidiaries giving any security or indemnity to a third party in respect of a debt or obligation of the Company for which the Director or his associate(s) has/have himself/themselves assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (c) any contract, arrangement or proposal in relation to 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 or invitation;
- (d) any contract, arrangement or proposal with any other company in which the Director or any of its associate(s) is/are interested only as a director or an officer of that other company;
- (e) any contract, arrangement or proposal in relation to or concerning any other company in which the Director or his associate(s) is/are interested directly or indirectly as holder of shares or other securities of that company so long as the interest of such Director and any of his associate(s) are in aggregate less than five (5) per cent. of such issued shares or securities or the voting rights attaching to such issued shares or securities (or of any third company through which his interest or that of any of his associates is derived);
- (f) any contract, arrangement or proposal in which the Director or any of 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 beneficial interest in shares or debentures or other securities of the Company;
- (g) any contract, arrangement or proposal in relation to or concerning the adoption, modification or operation of any executive and/or employees share option scheme under which the Director or his associate(s) may benefit;
- (h) any proposal or arrangement for 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 benefit scheme which relates both to the Director or his associate(s) and employees of the Company or of any of its subsidiaries and does not give the Director or his associate(s) any privilege not accorded to the employees for which such scheme or fund relates;
- (i) the appointment and empowering of a committee of Directors who do not have a material interest in a relevant contract or matter to deal with that contract or matter or the appointment of independent advisors in connection with such contract or matter;
- (j) the approval of a contract or matter which, by virtue of all Directors having a material interest or otherwise, is expressly subject to approval by the Company in general meeting at which he will not vote; or
- (k) the approval of a document, letter, notice or advertisement to shareholders in respect of a contract or matter in which the Director or his associate(s) has/have a material interest so long as such interest is disclosed therein.”;

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## NOTICE OF ANNUAL GENERAL MEETING

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(E) by re-numbering the existing Bye-law 108(B)(iii) and Bye-law 108(B)(iv) as Bye-law 108(B)(v) and Bye-law 108(B)(vi) respectively;

(F) by inserting the following as the new Bye-law 108(B)(iii) and Bye-law 108(B)(iv):

“(iii) A Director and/or his associate(s) shall be deemed materially interested in a transaction if a company in which a Director and/or his associate(s), in aggregate, beneficially own(s) five (5) per cent. or more of the issued shares or other securities of that company (or of any third company through which his interest or that of his associates is derived) is interested in such transaction.

(iv) Any question arising at any meeting of the Board as to the materiality of the interest of a Director or as to the entitlement of any Director to vote shall be referred to the Chairman of the meeting and his ruling shall be final and conclusive, whereas any question as aforesaid arising in respect of the Chairman of the meeting shall be decided by a resolution of the Board for which purpose such Chairman shall not be counted in the quorum nor shall he vote thereon and such resolution shall be final and conclusive.”;

(G) by deleting the words “at least seven days before the date of the general meeting” in line 9 to 11 of Bye-law 114 and substituting therefor the following proviso:

“provided that the minimum length of the period, during which such notice(s) are given, shall be at least seven days and that the period for lodgment of such notice(s) 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.”;

(H) in Bye-law 172(B), by inserting the words “, unless waived pursuant to section 88 of the Companies Act and subject to Bye-law 172(C),” after the words “the Auditors’ report” in line 13 and by deleting the word “any” appearing before the words “every holder of debentures of,” in line 16 and substituting therefor the word “and”;

(I) by inserting the following new Bye-laws 172(C) and 172(D) immediately after Bye-law 172(B):

“(C) To the extent permitted by and subject to due compliance with all applicable Statutes, rules and regulations, including, without limitation, the rules of the stock exchange in the Relevant Territory, and to obtaining all necessary consents, if any, required thereunder, the requirements of Bye-law 172(B) shall be deemed satisfied in relation to any person by sending to the person in any manner not prohibited by the Statutes, a summary financial statement derived from the Company’s annual accounts and reports referred to in Bye-law 172(B) which shall be in the form and containing the information required by applicable laws and regulations, provided that any person who is otherwise entitled to the Company’s annual financial statements and reports

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thereon may, if he so requires by notice in writing served on the Company, demand that the Company sends to him, in addition to a summary financial statement, a complete printed copy of the Company's annual financial statements and reports thereon.

(D) The requirement to send to a person referred to in Bye-law 172(B) the annual financial statements and reports referred to in that Bye-law or a summary financial report in accordance with Bye-law 172(C) shall be deemed satisfied where, in accordance with all applicable Statutes, rules and regulations, including, without limitation, the rules of the stock exchange in the Relevant Territory, the Company publishes copies of the documents referred to in Bye-law 172(B) and, if applicable, a summary financial report complying with Bye-law 172(C), on the Company's computer network or in any other permitted manner (including by sending any form of electronic communication), and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company's obligation to send to him a copy of such annual financial statements and reports.”;

(J) by deleting the existing Bye-law 176 in its entirety and substituting therefor the following new Bye-law 176:

“176. Any notice or document (including any “corporate communication” within the meaning ascribed thereto under the rules of the stock exchange in the Relevant Territory), whether or not to be given or issued under these Bye-laws, from the Company to a member shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or communication and any such notice and document may be served or delivered by the Company on or to any member either personally or by sending it through the post in a prepaid letter, envelope or wrapper addressed to such member at his registered address as appearing in the register or at any other address supplied by him to the Company for the purpose or, as the case may be, by transmitting it to any such address or transmitting it to any telex or facsimile transmission number or electronic number or address or website supplied by him to the Company for the giving of notice to him or which the person transmitting the notice reasonably and bona fide believes at the relevant time will result in the notice being duly received by the member or may also be served by advertisement in appointed newspaper (as defined in the Companies Act) or in one or more newspapers published daily and circulating in the Relevant Territory and in accordance with the requirements of the stock exchange in the Relevant Territory or, to the extent permitted by the applicable laws, by placing it on the Company's website or the website of the stock exchange in the Relevant Territory, and giving to the member a notice stating that the notice or other document is available there (a “notice of availability”). The notice of availability may be given to the member by any of the means set out above. In the case of joint holders of a share all notices shall be given to that one of the joint holders whose name stands first in the register and notice so given shall be deemed a sufficient service on or delivery to all the joint holders.”; and

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(K) by inserting the following new Bye-laws 178(A), 178(B) and 178(C) immediately after Bye-law 178:

- “178. (A) Any notice sent by electronic communication shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent. A notice placed on the Company’s website or the website of the stock exchange in the Relevant Territory is deemed given by the Company to a member on the day following that on which a notice of availability is deemed served on the member.
- (B) Any notice served or delivered in any other manner contemplated by these Bye-laws shall be deemed to have been served or delivered at the time of personal service or delivery or, as the case may be, at the time of the relevant despatch, transmission or publication; and in proving such service or delivery a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board as to the fact and time of such service, delivery, despatch, transmission or publication shall be conclusive evidence thereof.
- (C) A notice may be given to a member either in the English language or the Chinese language, subject to due compliance with all applicable Statutes, rules and regulations.”.

By Order of the Board  
**Eliza Lam Sau Fun**  
*Secretary*

Hong Kong, 15th April, 2004

### Notes:

1. A member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. The form of proxy must be deposited with the Company’s Registrars in Hong Kong, Computershare Hong Kong Investor Services Limited of Rooms 1901-5, 19th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the Meeting.
3. An explanatory statement containing further details as regarding Resolution 4(A) above will be sent to members shortly together with the 2003 Annual Report.
4. With respect to Resolution 5 above, approval is being sought from members to alter the Bye-laws of the Company in order to (i) accord the Company with flexibility for the issue of summary financial report to its members and the despatch of corporate communications (within the meaning ascribed thereto under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”)) by electronic means and either in English or Chinese pursuant to the amended provisions under The Companies Act of Bermuda and/or the Listing Rules and (ii) conform with the new requirements promulgated by the recent changes in the Listing Rules on corporate governance issues which came into effect on 31st March, 2004.