



ORIENT OVERSEAS (INTERNATIONAL) LIMITED

(Incorporated in Bermuda with Limited Liability)

2003 RESULTS ANNOUNCEMENT

The Directors of Orient Overseas (International) Limited (the "Company") are pleased to announce the audited results of the Company and its subsidiaries (the "Group") for the year ended 31st December 2003 as follows:

Consolidated Profit and Loss Account

For the year ended 31st December 2003

Note	2003 US\$'000	2002 US\$'000
Turnover	3,241,113	2,457,952
Operating costs	(2,520,202)	(2,038,912)
Gross profit	720,911	419,040
Other operating income	14,875	2,822
Other operating expenses	(376,402)	(331,016)
Operating profit before financing	359,384	90,846
Net financing charges	(18,740)	(30,634)
Share of profits less losses of jointly controlled entities	12,662	2,690
Profit before taxation	353,306	62,902
Taxation	(24,145)	(10,954)
Profit after taxation	329,161	51,948
Minority interests	(117)	(210)
Profit attributable to shareholders	329,044	51,738
Proposed final dividend at US12.8 cents (2002: US2.5 cents) per ordinary share	60,184	12,929
Earnings per ordinary share (US cents)	65.2	10.0

Consolidated Balance Sheet

As at 31st December 2003

	2003 US\$'000	2002 US\$'000
Property, plant and equipment	1,579,798	1,342,438
Jointly controlled entities	24,298	35,576
Long-term investments	99,218	100,763
Intangible assets	29,817	27,541
Other non-current assets	36,907	33,243
Non-current assets	1,770,038	1,539,561
Current assets	984,872	649,779
Current liabilities	(746,888)	(600,269)
Net current assets	237,984	49,510
Long-term liabilities	(840,677)	(682,759)
Other non-current liabilities	(48,741)	(37,881)
	1,118,604	868,431
Capital employed		
Share capital	47,018	51,714
Reserves	1,063,736	808,729
Shareholders' funds	1,110,754	860,443
Minority interests	7,850	7,988
	1,118,604	868,431

NOTES

1. Turnover

Turnover represents gross freight, charterhire, service and other income from the operation of the international containerised transportation, logistics and container terminal businesses, sales of properties and rental income from the investment property.

2. Segment information

	2003 US\$'000	2002 US\$'000
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Business segment

Turnover

International transportation and logistics	2,969,554	2,218,120
Container terminals	251,025	215,748
Property investment and development	20,534	24,084
	3,241,113	2,457,952

Operating profit before financing

International transportation and logistics	325,308	78,399
Container terminals	35,034	11,856
Property investment and development	6,228	8,023
Investments and corporate services	(7,186)	(7,432)
	359,384	90,846

Geographical segment

Turnover

	2003 US\$'000	2002 US\$'000
Asia	2,043,205	1,445,558
North America	752,356	651,713
Europe	399,068	316,557
Australia	46,484	44,124
	3,241,113	2,457,952

Given the nature of the Group's operations and the way in which costs are allocated, it is not considered meaningful to provide a geographical analysis of operating profit.

3. Taxation

	2003 US\$'000	2002 US\$'000
Current (overseas)		
Company and subsidiaries	16,349	3,301
Jointly controlled entities	6,047	3,727
	22,396	7,028
Deferred		
Company and subsidiaries	1,749	3,926
	24,145	10,954

Taxation has been provided at the appropriate tax rates prevailing in the countries in which the Group operates on the estimated assessable profits for the year. These rates range from 10% to 53% and the rate applicable for Hong Kong profits tax is 17.5% (2002: 16%).

4. Dividends

	2003 US\$'000	2002 US\$'000
Interim paid of US3.85 cents (2002: nil) per ordinary share	18,099	—
Proposed final of US12.8 cents (2002: US2.5 cents) per ordinary share	60,184	12,929
	78,283	12,929

The Board of Directors proposes a final dividend in respect of 2003 of US12.8 cents (2002: US2.5 cents) per ordinary share. This dividend will be accounted for as an appropriation of retained profit in the year ending 31st December 2004.

5. Earnings per ordinary share

The calculation of earnings per ordinary share is based on the profit attributable to ordinary shareholders of US\$329.0 million (2002: US\$51.7 million) and the weighted average number of 504.5 million (2002: 517.1 million) ordinary shares in issue during the year.

Results for 2003

I am pleased to be able to report a record level of performance by Orient Overseas (International) Limited and its subsidiaries (the "Group") for the year of 2003. The Group recorded a profit before tax and minorities of US\$353.3 million for the financial year 2003. A profit attributable to shareholders of US\$329.0 million was recorded which represents an increase of 536% over the attributable profit of US\$51.7 million which we recorded in 2002. Earnings per ordinary share were US65.2 cents as compared with US10.0 cents in 2002.

Review of Operations

Our International Transportation, Logistics and Terminals division enjoyed an unprecedented trading environment during 2003 as we experienced a much better supply and demand balance despite the substantial growth in capacity. During the second half of 2002 business confidence generally had started to recover from the depths of earlier in the year and container volumes had begun to show much higher growth rates. This continued through into 2003 and, if anything, accelerated as the year progressed. Coupled with a lower rate of tonnage increase than had been forecast, the supply and demand balance changed its bias to the extent that space became more scarce and freight rates consequently firmer. Overall liftings for OOCL rose by 18.7% to 2,687,545 TEU which, combined with a 15.1% recovery in average revenue per TEU, resulted in a 36.6% increase in total revenues to US\$2.8 billion.

In year 2003, we took delivery two 8,063 TEU "SX" Class vessels and a 4,402 TEU ice-strengthened vessel. Simultaneously, we delivered our former 2,330 TEU ice-strengthened vessel to her new owners under a pre-existing contract of sale. The Group also took delivery under long-term charter of four 2,762 TEU newbuilding vessels in the year. In line with our long-term business plans, in 2003, we placed orders for four 8,063 TEU "SX" Class newbuildings, for delivery during the first halves of 2006 and 2007 and also committed to long-term charterparty arrangements under which a series of eight 5,888 TEU vessels, to be delivered, one in late 2005, three in early 2006, one in late 2006 and the remaining three during the first half of 2007.

Our container terminal businesses in North America were all profitable for 2003. For various reasons this represents the first time that they have all been profitable in the same year. Overall, the four terminals, two in the Port of New York and New Jersey and two in the Port of Vancouver, achieved an increase of just over 7% in throughput, in terms of actual lifts, and an 11% rise in revenues per container handled. This translates into a 133% increase in net recurrent pre-tax income although this figure is distorted by the swing from loss to profit at Global Terminal in New York. However, we expect these levels of profitability to be maintained or bettered during 2004.

Our Property Development and Investment division returned a solid year in 2003. Despite the numerous issues arising due to SARS, the

results of our development portfolio in Shanghai remained satisfactory. This can be attributed to both the experience of the local development team and the continued brand name premium we have established in Shanghai. For our property investment business, Beijing Oriental Plaza, in which the Group continues to hold an 8% interest, has yielded a modest but positive result at the project level for the financial year ended December 2003 and we look forward to a growing contribution at the Group level in the future. During 2003, the Group increased its percentage freehold ownership of the land underlying Wall Street Plaza from 66% to 95% at a cost of US\$10 million. As at 31st December 2003, the building was valued on an open-market basis at US\$100 million, which allowing for the capitalisation of the amount spent to acquire the increased freehold interest, represents no change from the prior year.

Looking Forward

The outlook for our core international transportation and logistics businesses remains positive. During the course of 2003 the supply and demand balance moved firmly in our favour and at the present time it is hard to find any data to suggest that this favourable situation will alter in the near term. In the past our concerns have traditionally been over the supply side of the equation with new tonnage generally available between 18 months and two years of having placed an order. The present situation, unique it seems, is that with all sectors of the shipping industry having of late been enjoying exceptional levels of performance, the shipyard order books are virtually full for probably the next 3.5 years. As such the supply side increases are fixed for a period much longer than is usually the case. With greater confidence therefore on the supply side, concern has now switched more to the demand side and the sustainability of the recent levels of container volume growth. China's accession to the WTO, the continuing processes of containerisation and the return to higher levels of global economic growth all tend to suggest that the presently better supply and demand balance is set to remain with us for 2004 and perhaps beyond.

We continue to make investments in terminal facilities necessary to upgrade the equipment and to maintain and improve the services we provide to our customers. In addition we remain alert to the opportunities which, although infrequent, do arise from time to time to invest in other terminal projects in which we see good prospects in terms of the location and hinterland necessary to produce the profitability levels required. We began during the year to expand our horizons a little to areas immediately outside the Shanghai City limits, efforts which we believe will make a valuable contribution to the Group going forwards. We continue to believe that both China's entry to the WTO and the gradual build up to the 2008 Olympic Games will slowly but surely benefit all sectors of the Beijing property market. The gradual recovery in the New York property market has benefited Wall Street Plaza, and we look forward to its continued and positive contribution to Group performance.

Dividends

The Directors have recommended a final dividend for the year ended 31st December 2003 of US12.8 cents (HK\$1 at the exchange rate of US\$1:HK\$7.8) per ordinary share to be paid on 11th May 2004 to the shareholders of the Company whose names appear on the register of members of the Company on 27th April 2004. Shareholders who wish to receive the dividend in US Dollars should complete the US Dollars Election Form and return it to the Branch Registrar on or before 4th May 2004.

Proposed Bonus Issue

The Directors have recommended a bonus share issue (the "Proposed Bonus Issue") of new shares (individually a "Bonus Share" and collectively the "Bonus Shares") to the shareholders of the Company on the basis of one (1) Bonus Share of US\$0.10 for every ten (10) issued ordinary shares held by such shareholders whose names appear on the Register of Members of the Company on 27th April 2004. The Bonus Shares will be fully paid at par and will rank pari passu with the existing issued ordinary shares of the Company in all respects from the date of issue, except that they will not rank for the recommended final dividend or the Proposed Bonus Issue. The Proposed Bonus Issue is conditional upon

- an ordinary resolution being passed to approve the Proposed Bonus Issue at the 2004 Annual General Meeting being duly passed; and
- the listing of and permission to deal in the Bonus Shares being granted by the Listing Committee of The Stock Exchange of Hong Kong Limited.

Application will be made to the Listing Committee of The Stock Exchange of Hong Kong Limited for listing of, and permission to deal in, the Bonus Shares to be issued pursuant to the Proposed Bonus Issue after the ordinary resolution referred in (i) above has been duly passed at the 2004 Annual General Meeting.

A circular setting out further details of the Proposed Bonus Issue will be despatched to shareholders as soon as practicable.

Change of Board Lot Size

The Directors have resolved to change the board lot size for trading the shares of the Company from 2,000 to 1,000. Further announcement will be made by the Company setting out the time table, trading arrangement and other details of the change in the board lot size.

Liquidity and Financial Resources

As at 31st December 2003, the Group had cash and portfolio investments amounting to US\$680.8 million and a total indebtedness of US\$1,098.2 million. The net debt to equity ratio was improved to 0.4:1 at end of year 2003, compared with that of 2002.

The indebtedness of the Group mainly comprises bank loans, finance leases and other obligations which are largely denominated in US dollars. The Group's borrowings are monitored to ensure a smooth repayment schedule to maturity.

Employee Information

As at 31st December 2003, the Group employed a total staff of 5,063 around the world. The Group provides employee benefits such as staff

insurance schemes, provident and pension funds, discretionary bonuses, education assistance and medical & dental schemes. The Group also provides in-house training programs and external training sponsorships.

Closure of Register of Members

The register of members will be closed from 20th April 2004 to 27th April 2004, both days inclusive, during which period no transfer of shares will be registered.

In order to qualify for the final dividend and Bonus Shares, transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Branch Registrar, Computershare Hong Kong Investor Services Limited at 19th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:00 p.m. on Monday, 19th April 2004.

Annual General Meeting and Annual Report

The annual general meeting of the Company will be held on 27th April 2004. Notice of the meeting will be sent to shareholders together with the annual report on or before 2nd April 2004.

Both the English and Chinese versions of the annual report will always be available from our Hong Kong Branch Registrar on request.

Disclosure of Information on the Website of The Stock Exchange of Hong Kong Limited ("HKSE")

A detailed results announcement containing all the information required by paragraphs 45(1) to 45(3) of Appendix 16 of the Rules Governing the Listing of Securities on HKSE will be published on the HKSE's website www.hkex.com.hk in due course. The Annual Report is also available on the Company's website at www.ooilgroup.com.

Purchase, Sale or Redemption of Shares

On 25th September 2003, the Company repurchased an aggregate of 46,957,088 ordinary shares at the price of HK\$9.80 per share. All the shares repurchased were then cancelled.

Except for the above, neither the Company nor any of its subsidiaries, has purchased or sold any of the Company's shares during the year.

Corporate Governance

The Board is supportive of high standards of corporate governance. The Company has complied throughout the financial year with the Code of Best Practice issued by The Stock Exchange of Hong Kong Limited, with the exception that the Independent Non-executive Directors have not been appointed for a specific term.

By Order of the Board
C C TUNG
Chairman

Hong Kong, 19th March 2004

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Eighteenth Annual General Meeting of ORIENT OVERSEAS (INTERNATIONAL) LIMITED (the "Company") will be held at the Concord Room, 8th Floor, Renaissance Harbour View Hotel, 1 Harbour Road, Wanchai, Hong Kong on 27th April 2004 at 10:00 a.m. for the following purposes:

- To consider and adopt the audited Statement of Accounts and the Reports of the Directors and the Auditors for the year ended 31st December 2003;
- To declare the payment of a final dividend for the year ended 31st December 2003;
- To consider and, if thought fit, pass, with or without modification, the following resolutions as an Ordinary Resolution:

ORDINARY RESOLUTION

"THAT conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting listing of and permission to deal in the new shares of US\$0.10 each (individually a "Bonus Share" and collectively the "Bonus Shares") in the capital of the Company to be issued:

- to capitalise such amount necessary to give effect to the issue of the Bonus Shares that is for the time being standing to the credit of the share premium account of the Company and the Directors be and are hereby authorized to apply such sum in paying up in full at par (US\$0.10) such number of Bonus Shares to be allotted and issued as fully paid to the shareholders of the Company on the basis of one (1) Bonus Share for every ten (10) issued ordinary shares of US\$0.10 each held by such shareholders whose names appear on the Register of Members of the Company at the close of business on 27th April, 2004 and to allot and issue such Bonus Shares;
 - the Bonus Shares to be issued shall rank pari passu in all respects with the existing issued shares of the Company as at the date of issue of such Bonus Shares;
 - no fractional Bonus Shares (if any) shall be allotted to the shareholders of the Company and fractional entitlements will be rounded down to the nearest whole number and sold for the benefit of the Company; and
 - the Directors be and are hereby authorized to do all acts and things as may be necessary and expedient in connection with the issue of Bonus Shares.;"
- To re-elect Directors and authorise the Board of Directors to fix their remuneration;
 - To re-appoint PricewaterhouseCoopers as Auditors and to authorise the Board of Directors to fix their remuneration; and
 - To consider and, if thought fit, pass, with or without modification, the following resolutions as Ordinary Resolutions:-

ORDINARY RESOLUTIONS

- "THAT a general mandate be and is hereby generally and unconditionally given to the Directors to exercise during the Relevant Period (as hereinafter defined) all the powers of the Company to allot, issue and otherwise deal with Shares (as hereinafter defined) or additional Shares of the Company and to make, issue or grant offers, agreements, options or warrants which will or might require the exercise of such mandate either during or after the Relevant Period, otherwise than pursuant to a rights issue, bonus issue, issue of scrip dividends or the exercise of rights of subscription or conversion under the terms of any shares, bonds, warrants or other securities carrying a right to subscribe for or purchase shares of the Company issued by the Company or a subsidiary or whose issue is authorised on or prior to the date this resolution is passed, not exceeding twenty per cent. of the aggregate nominal amount of the share capital of the Company in issue immediately following the issue of the Bonus Shares.;"
- "THAT a general mandate be and is hereby generally and unconditionally given to the Directors to exercise during the Relevant Period (as hereinafter defined) all the powers of the Company to purchase shares of all classes in the capital of the Company, securities convertible into shares and options, warrants or similar rights to subscribe for or purchase any shares or such convertible securities, provided however that the aggregate nominal amount of such shares, or (as the case may be) conversion, subscription or purchase rights attaching to that security, to be purchased shall not exceed ten per cent. of the aggregate nominal amount of such shares, or (as the case may be) conversion, subscription or purchase rights attaching to that security, in issue immediately following the issue of the Bonus Shares.;"

For the purposes of resolutions 6(a) and 6(b):

"Relevant Period" means the period from the passing of this resolution until whichever is the earlier of:

- the conclusion of the next Annual General Meeting of the Company;

- the expiration of the period within which the next Annual General Meeting of the Company is required by Bermudan law or the Bye-laws of the Company to be held; or
- 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.

"Shares" means shares of all classes in the capital of the Company and securities convertible into shares and options, warrants or similar rights to subscribe for or purchase any shares or such convertible securities.

- "THAT the general mandate granted to the Directors to allot Shares pursuant to the resolution set out in item 6(a) of the Notice of this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the share capital of the Company purchased, or that share capital which would fall to be subscribed or purchased pursuant to the conversion, subscription or purchase rights attaching to any other securities purchased, by the Company pursuant to the authority granted by the resolution set out in item 6(b) of the Notice of this meeting, provided that such amount shall not exceed ten per cent. of the aggregate nominal amount of the shares, or (as the case may be) conversion, subscription or purchase rights attaching to that security, in issue immediately following the issue of the Bonus Shares.;"
- To consider and, if thought fit, pass, with or without modification, the following resolution as a Special Resolution:-

SPECIAL RESOLUTION

"THAT the existing bye-laws of the Company be and are hereby amended in the following manner:

- by adding the following definition in Bye-law 1 immediately after the definition of "Act"
"associate" the meaning attributed to it in the rules of the Designated Stock Exchange.;"
- by deleting the existing Bye-law 2(e) in its entirety and substituting therefor the following:
"2(e) 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 takes the form of electronic display, provided that both the mode of service of the relevant document or notice and the shareholder's election comply with all applicable Statutes, rules and regulations.;"
- by adding the following new Bye-law 2(k):
"2(k) 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.;"
- by deleting the existing Bye-law 51 in its entirety and substituting therefor the following:
"51. The registration of transfers of shares or of any class of shares may, after notice has been given by advertisement in an appointed newspaper and, where applicable, any other newspapers in accordance with the requirements of any Designated Stock Exchange or by any means in such manner as may be accepted by the Designated Stock Exchange to that effect be suspended at such times and for such periods (not exceeding in the whole thirty (30) days in any year) as the Board may determine.;"
- by deleting the existing Bye-law 66 in its entirety and substituting therefor the following:
"66. Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Bye-laws, at any general meeting on a show of hands every Member present in person or by proxy or by attorney or (being a corporation) is present by a representative duly authorized under Section 78 of the Act shall have one vote and on a poll every Member present in person or by proxy shall have one vote for every fully paid share of which he is the holder. A resolution put to the vote of a meeting shall be decided on a show of hands unless it is required by the rules of the Designated Stock Exchange that such resolution shall be voted by way of poll or a poll is demanded 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) by the Chairman; or

- by at least three Members present in person or by proxy for the time being entitled to vote at the meeting; or
- by a Member or Members present in person or by proxy and representing not less than one-tenth of the total voting rights of all Members having the right to vote at the meeting; or
- by a Member or members present in person 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 shares conferring that right.

A demand by a person as proxy for a Member shall be deemed to be the same as a demand by the Member.

- by re-numbering existing Bye-law 76 as Bye-law 76(1) and adding the following new Bye-law 76(2) immediately thereafter:

"(2) Where any Member is, under the rules of the 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.;"

- by deleting the word "special" in the second line in Bye-law 86(4) and substituting therefore the word "ordinary";
- by deleting the existing Bye-law 89 in its entirety and substituting therefor the following:

"89. 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 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 and also a notice in writing signed by the person to be proposed of his willingness to be elected shall have been lodged at the Office or the head office provided that the minimum length of the period, during which such notice(s) are given, shall be at least seven (7) days and that the period for lodgment of such notice(s) shall commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.;"

- by deleting the existing Bye-law 104 in its entirety and substituting therefor the following:

"104.(1) A Director shall not vote (nor be counted in the quorum) on any resolution of the Board approving of 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:

- any contract or arrangement for the giving to such Director or his associate(s) any security or indemnity in respect of money lent by him or any of his associates or obligations incurred or undertaken by him or any of his associates at the request of or for the benefit of the Company or any of its subsidiaries;
- any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;
- 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;
- 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;

- (e) 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 his associate(s) are beneficially interested in five (5) per cent 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 any of his associates is derived); or
- (f) any proposal concerning the benefit of employees of the Company or its subsidiaries, including the adoption, modification or operation of (i) any employee' share scheme or any share incentive or share option scheme under which the Director or his associate(s) may benefit; or (ii) a pension fund or retirement, death or disability benefits scheme or other arrangement which relates both to Directors, his associates and employees of the Company or of any of its subsidiaries 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 or his associate(s) is/are 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 his associate(s) 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.”;
- (j) By deleting the existing Bye-law 160 in its entirety and substituting therefor the following:
- “160. Any notice or document (including any “corporate communication” within the meaning ascribed thereto under the rules of the Designated Stock Exchange), 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 envelope 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 supplied by him to the Company for the giving of notice or document to him or which the person transmitting the notice or document reasonably and bona fide believes at the relevant time will result in the notice or document being duly received by the Member or may also be served by advertisement in appointed newspapers (as defined in the Act) or in newspapers published daily and circulating generally in the territory of and in accordance with the requirements of the Designated Stock Exchange or, to the extent permitted by the applicable laws, by placing it on the Company’s website and giving to the member a notice stating that the notice or 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 or documents shall be given to that one of the joint holders whose name stands first in the Register and notice or document so given shall be deemed a sufficient service on or delivery to all the joint holders.”;
- (k) By renumbering the existing Bye-law 161(b) as a new Bye-law 161(c) and by inserting the following new Bye-law 161(b):
- “161(b) if sent by electronic communication, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent. A notice or document placed on the Company’s website 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.”;
- (l) By substituting for the full stop “.” appearing at the end of the new Bye-law 161(c) with a semi-colon “;” and inserting the word “and” after the semi-colon “;”;
- (m) By adding the following new Bye-law 161(d):
- “161(d) 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.”; and
- (n) By inserting, in Bye-law 163, after the words “a cable or telex or facsimile”, the following words:
- “or electronic”.

By Order of the Board
Lummy Lee
Secretary

Hong Kong, 19th March 2004

Notes:

- (i) Any member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote on his behalf in accordance with the Bye-laws of the Company. A proxy need not be a member of the Company.
- (ii) The proxy form must be deposited at the principal place of business of the Company in Hong Kong, 33rd Floor, Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong together with the power of attorney or other authority (if any) under which it is signed (or a certified copy thereof) as soon as possible but in any event not less than 48 hours before the time appointed for holding the above meeting or any adjournment thereof.
- (iii) The Register of Members of the Company will be closed from 20th April 2004 to 27th April 2004, both days inclusive, during which period no transfer of shares can be registered.
- (iv) An explanatory statement containing further details regarding Ordinary Resolutions no. 3, 6(a), 6(b) and 6(c) will be dispatched to the members of the Company together with the Annual Report of the Company for the year ended 31 December 2003.
- (v) Special Resolution no.7 to amend the Bye-laws of the Company for the purposes of, amongst other things, complying with the recent amendments to Appendix 3 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and generally extending the mode of communication with the members of the Company.
- (vi) The translation into Chinese language of this notice (including the Special Resolution which contains the proposed new Bye-laws) is for reference only. In case of any inconsistency, the English version shall prevail.