



CITIC Pacific Limited

中信泰富有限公司

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at Island Ballroom, Level 5, Island Shangri-La Hotel, Two Pacific Place, Supreme Court Road, Hong Kong on Monday, 10 May 2004 at 10:30 a.m. for the following purposes:

- 1 To receive and consider the audited accounts and the Reports of the Directors and the Auditors for the year ended 31 December 2003.
- 2 To declare a final dividend for the year ended 31 December 2003.
- 3 To re-elect retiring Directors.
- 4 To re-appoint Auditors and authorise the Board of Directors to fix their remuneration.
- 5 To consider as Special Business, and if thought fit, pass with or without amendments the following resolution as an Ordinary Resolution:

“**THAT** with effect from the financial year ending 31 December 2004,

- a. the director’s fee of each of the Directors of the Company be fixed at HK\$150,000 per annum, until the Company in general meeting otherwise determines; and
- b. additional remuneration be payable to each of the Non-executive Directors who serve on the Board Committees of the Company at the levels as shown below, until the Company in general meeting otherwise determines:

	<i>HK\$ (per annum)</i>
Audit Committee	100,000
Remuneration Committee	50,000”

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

“**THAT** the New Articles of Association of the Company be altered by:

A. amending Article 2 as follows:

1. deleting the definition of “associate” and substituting the following:

“associate” in relation to any Director, shall mean:

- (i) his spouse;
- (ii) any child or step-child, natural or adopted, under the age of 18 years of the Director or of his spouse (together with (i) above, the “family interests”);
- (iii) the trustees, acting in their capacity as such trustees, of any trust of which he or any of his family interests is a beneficiary or, in the case of a discretionary trust, is (to his knowledge) a discretionary object and any company (“trustee-controlled company”) in the equity capital of which the trustees, acting in their capacity as such trustees, are directly or indirectly interested so as to exercise or control the exercise of 30% (or such other amount as may from time to time be specified in the Hong Kong Code on Takeovers and Mergers as being the level for triggering a mandatory general offer) or more of the voting power at general meetings, or to control the composition of a majority of the board of directors and any other company which is its subsidiary (together, the “trustee interests”);
- (iv) a holding company of a trustee-controlled company or a subsidiary of any such holding company; and
- (v) any company in the equity capital of which he, his family interests, any of the trustees referred to in (iii) above, acting in their capacity as such trustees, and/or any trustee interests taken together are directly or indirectly interested so as to exercise or control the exercise of 30% (or such other amount as may from time to time be specified in the Hong Kong Code on Takeovers and Mergers as being the level for triggering a mandatory general offer) or more of the voting power at general meetings, or to control the composition of a majority of the board of directors and any other company which is its subsidiary or holding company or a fellow subsidiary of any such holding company.

2. adding a definition of “business day”, as follows:

“business day” shall mean any day on which the Stock Exchange is open for the business of dealing in securities;

3. deleting the definition of “Hong Kong” and substituting ““Hong Kong” shall mean the Hong Kong Special Administrative Region of the People’s Republic of China”;

4. deleting in the definition of “newspaper” the words “the Chief Secretary” and substituting “the Chief Secretary for Administration”;

5. deleting from the definition of “Secretary” the words “or corporation”;

B. deleting Article 17 and substituting the following:

“Every person whose name is entered as a member in the register shall be entitled (except in relation to replacement certificates) without payment to receive within ten business days after allotment or lodgment of a transfer (or within such other period as the conditions of issue shall provide) one certificate for all his shares or, if he shall so request, in a case where the allotment or transfer is of a number of shares in excess of the number for the time being forming a stock exchange board lot, upon payment, in the case of a transfer, of such sum as may from time to time be permitted under the rules prescribed by the Stock Exchange for every certificate after the first, such number of certificates for shares in stock exchange board lots or multiples thereof as he shall request and one for the balance (if any) of the shares in question, provided that in respect of a share or shares held jointly by several persons the Company shall not be bound to issue a certificate or certificates to each such person, and the issue and delivery of a certificate or certificates to one of several joint holders shall be sufficient delivery to all such holders.”

C. deleting Article 21 and substituting the following:

“If a share certificate is defaced, lost or destroyed, it may be replaced on payment of such sum as may from time to time be permitted under the rules prescribed by the Stock Exchange, and on such terms and conditions, if any, as to the publication of notices, evidence and indemnity as the Board thinks fit and in the case of wearing out or defacement, after delivery up of the old certificate. In the case of destruction or loss, the person to whom such replacement certificate is given shall also bear and pay to the Company any exceptional costs and the reasonable out-of-pocket expenses incidental to the investigation by the Company of the evidence of such destruction or loss and of such indemnity.”

D. amending Article 81 as follows:

1. deleting the words “the Securities and Futures (Clearing Houses) Ordinance (Chapter 420 of the Laws of Hong Kong)”, and substituting “the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)”; and

2. adding at the end of Article 81,

“Where any shareholder is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.”

E. deleting in Article 102(A)(viii) the words “special resolution” and substituting “ordinary resolution”;

F. deleting the existing paragraph (H) of Article 103 and substituting the following new paragraph (H):

“(H) A Director shall not vote or be counted in the quorum present at the meeting in respect of any contract or arrangement or proposal in which he or his associate(s)

is/are materially interested, and if he shall do so his vote shall not be counted, but this prohibition shall not apply to:

- (i) the giving of any security or indemnity either:
 - (a) to the Director or his associate(s) 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; or
 - (b) 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 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 his associate(s) 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 or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the Director or his associate(s) is/are beneficially interested in shares of that company, provided that the Director and any of his associates are not in aggregate beneficially interested in 5% or more of the issued shares of any class of such company (or of any third company through which his interest or that of his associates is derived) or of the voting rights;
- (iv) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:
 - (a) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which the Director or his associate(s) may benefit; or
 - (b) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to Directors, his associates and employees of the Company or any of its subsidiaries and does not provide in respect of any director, or his associate(s), 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 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.”

G. deleting Article 108 and substituting the following:

“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 notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been given to the Company in the period commencing no earlier than the day after the despatch of the notice of the meeting appointed for such election and ending no later than seven days prior to the date of such meeting, provided that such period shall be at least seven days.”

H. deleting in Article 110 the words “special resolution” and substituting “ordinary resolution”;

I. deleting Article 184(A) and (B) and substituting the following:

“(A) Every Director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, and no Director or other officer shall be liable for any loss or damages which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto, provided that this Article shall only have effect in so far as its provisions are not avoided by the Companies Ordinance.

(B) The Company may indemnify any Director or other officer of the Company, against any liability incurred by him:

(a) in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted; or

(b) in connection with any application under Section 358 of the Companies Ordinance in which relief is granted to him by the court.

(C) The Company may purchase and maintain for any Director or officer of the Company:

(a) insurance against any liability to the Company, a related company or any other party in respect of any negligence, default, breach of duty or breach of trust (save for fraud) of which he may be guilty in relation to the Company or a related company; and

(b) insurance against any liability incurred by him in defending any proceedings, whether civil or criminal, taken against him for any negligence, default, breach of duty or breach of trust (including fraud) of which he may be guilty in relation to the Company or a related company.

(D) In this Article, “related company”, in relation to the Company, means any company that is the Company’s subsidiary or holding company or a subsidiary of the Company’s holding company.”

7 To consider as Special Business the following resolution as an Ordinary Resolution:

“THAT:

- A. subject to paragraph (C), a general mandate be and is hereby unconditionally granted to the Directors of the Company to exercise during the Relevant Period all the powers of the Company to allot, issue and dispose of additional shares in the Company and to make or grant offers, agreements and options which would or might require the exercise of such powers;
- B. the mandate in paragraph (A) shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such powers after the end of the Relevant Period;
- C. the aggregate nominal value of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the mandate in paragraph (A), otherwise than pursuant to (i) Rights Issue or (ii) any option scheme or similar arrangement for the time being adopted for the grant or issue to the officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company or (iii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company or (iv) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company pursuant to the New Articles of Association of the Company from time to time, shall not exceed twenty per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of this Resolution and the said mandate shall be limited accordingly;
- 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; or
- ii. the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held; or
- iii. the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company to holders of shares of the Company on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the Directors of the Company 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).”

8 To consider as Special Business the following resolution as an Ordinary Resolution:

“THAT:

A. a general mandate be and is hereby unconditionally given to the Directors of the Company to exercise during the Relevant Period all the powers of the Company to purchase or otherwise acquire shares of the Company 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, provided that the aggregate nominal amount of shares so purchased or otherwise acquired shall not exceed ten per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of this Resolution;

B. for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

- i. the conclusion of the next Annual General Meeting of the Company; or
- ii. the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held; or
- iii. the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the Shareholders in general meeting.”

9 To consider as Special Business the following resolution as an Ordinary Resolution:

“THAT conditional upon the passing of Resolutions (7) and (8) set out in the Notice convening this Meeting, the aggregate nominal amount of the shares which are purchased or otherwise acquired by the Company pursuant to Resolution (8) shall be added to the aggregate nominal amount of the shares which may be issued pursuant to Resolution (7).”

By Order of the Board
Alice Tso Mun Wai
Company Secretary

Hong Kong, 18 March 2004

Registered Office:
32nd Floor, CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

Notes:

- (i) The Register of Members will be closed from Tuesday, 4 May 2004 to Monday, 10 May 2004, both days inclusive, during which period no transfer of shares will be effected.
- (ii) Any member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company.

- (iii) To be valid, the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority must be deposited at the registered office of the Company not less than forty-eight hours before the time for holding the meeting or adjourned meeting or poll (as the case may be) at which the person named in such instrument proposes to vote.
- (iv) Pursuant to Article 75 of the New Articles of Association of the Company, 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 members present in person or by proxy for the time being entitled to vote at the meeting; or
 - (c) by any member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
 - (d) 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 the shares conferring that right.

The results of the poll will be published in the local newspapers and on the websites of the Company and The Stock Exchange of Hong Kong Limited on the business day following the above meeting.

- (v) Concerning item 3 above, Messrs Larry Yung Chi Kin, Peter Lee Chung Hing, Norman Yuen Kee Tong, Liu Jifu and Willie Chang shall retire by rotation in the Annual General Meeting pursuant to Article 104 (A) of the New Articles of Association of the Company and they, all being eligible, shall offer themselves for re-election. The biographical details and interests in the securities of the Company of all the Executive Directors and Non-executive Directors to be re-elected at the above meeting are provided in the sections of “Directors and Senior Managers” and “Directors’ Report” respectively in the 2003 Annual Report of the Company.
- (vi) Concerning item 5 above, in view of the directors’ workload and responsibilities, it is proposed to increase the directors’ fees from HK\$120,000 per annum for Chairman and HK\$100,000 per annum for the other Directors to HK\$150,000 per annum for each of the Directors of the Company.

In addition, as a result of the increasing part non-executive directors play in the good governance of listed companies, the Company proposes to move towards adopting a more transparent approach for determining the remuneration of Board Committee members. Thus, the levels of remuneration payable to Non-executive Directors serving on the Board Committees of the Company are proposed to members for approval.

- (vii) The Companies (Amendment) Ordinance 2003 (the “Amendment Ordinance”) has come into operation on 13 February 2004 and The Stock Exchange of Hong Kong Limited has announced amendments to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“the Listing Rules”) which include, among other things, amendments to Appendix 3 of the Listing Rules that will come into effect on 31 March 2004. Appendix 3 of the Listing Rules sets out the provisions with which a listed company’s articles of association should conform.

In order to make the Company’s New Articles of Association consistent with the Amendment Ordinance and the amended Appendix 3 of the Listing Rules, a special resolution to modify various Articles in the Company’s New Articles of Association is proposed under item 6.

- (viii) Concerning item 7 above, the approval is being sought from members for a general mandate to authorise allotment of shares under Section 57B of the Companies Ordinance and the Listing Rules, in order to ensure flexibility and discretion to the Directors in the event that it becomes desirable to issue any shares of the Company up to twenty per cent of the issued share capital of the Company. The Directors wish to state that they have no immediate plans to issue shares in the Company.

- (ix) Concerning item 8 above, the approval is being sought from members for a general mandate to repurchase shares in the Company, in order to ensure flexibility and discretion to the Directors in the event that it becomes desirable to repurchase any shares in the Company up to ten per cent of the issued share capital of the Company.
- (x) Concerning item 9 above, the approval is being sought from members to extend the general mandate to allot shares by adding repurchased securities to the twenty per cent general mandate.

“Please also refer to the published version of this announcement in The Standard and Hong Kong Economic Times”.