



INTERCHINA HOLDINGS COMPANY LIMITED

中國控股有限公司

(Incorporated in Hong Kong under the Companies Ordinance with limited liability)
(Stock Code: 202)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting of the Interchina Holdings Company Limited ("Company") will be held at Taishan Room, Level 5, Island Shangri-la Hotel, Pacific Place, Supreme Court Road, Hong Kong on Tuesday, 28 September 2004 at 10:00 a.m. (or an adjournment thereof) for the following purposes:—

1. To receive and consider the audited financial statements and the reports of the directors and auditors for the year ended 31 March 2004;
2. To re-elect directors and to authorize the board of directors to fix their remuneration;
3. To re-appoint Deloitte Touche Tohmatsu as the auditors of the Company and to authorize the board of directors to fix their remuneration;
4. To consider and, if thought fit, passing with or without modification, the following resolutions:—

as a Special Resolution of the Company:—

(1) **"THAT** the existing articles of association of the Company be and are hereby amended as follows:

- (a) by deleting the existing definition of "associate" in Article 2 and substituting therefor the following new definition:

"associate" in relation to any Director, shall have the meaning attributed to it in The Rules Governing the Listing of Securities on the Stock Exchange as may be amended from time to time;"

- (b) by deleting the existing definition of "clearing house" in Article 2 and substituting therefor the following new definition:

"clearing house" shall mean a recognised clearing house within the meaning of the Securities and Futures Ordinance (Chapter 571) of the Laws of Hong Kong and any amendments thereto or re-enactment thereof for the time being in force or a clearing house or authorized shares depository recognized by the laws of the jurisdiction in which the shares of the Company are listed or quoted on a stock exchange in such jurisdiction;"

- (c) by deleting the existing Article 78.(b) in its entirety and replacing it with the following:

"78. (b) A member of the Company, being a clearing house may authorise such person or persons as it thinks fit to act as its representative and/or (proxy) or representatives and/or (proxies) at any meeting of the Company or at any meeting of any class of member of the Company provided that, if more than one person is so authorised, the authorisation must specify the number and class of shares in respect of which each such person is so authorised. A person so authorised will be entitled to exercise the same powers on behalf of the clearing house (or its nominee) which he represents as that clearing house (or its nominee) could exercise if it were an individual member of the Company."

- (d) by adding the following Article 78.(c) immediately after Article 78.(b):

"78. (c) Where any member of the Company is, under any relevant rules or regulations issued by the 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."

- (e) by deleting the existing Article 100.(h) in its entirety and replacing it with the following:

“100. (h) Save as otherwise provided by the Articles, a Director shall not vote (nor be counted in the quorum) on any resolution of the Board in respect of any contract or arrangement or any other proposal in which he or any of 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 any of the following matters namely:

- (i) 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 them 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;
- (ii) 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 such Director or his associate(s) has himself / themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (iii) any 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;
- (iv) any contract or arrangement in which such Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his /their interest in shares or debentures or other securities of the Company;
- (v) any proposal concerning any other company in which such Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or a shareholder or in which such Director or his associate(s) is/are beneficially interested in shares of that company, other than a company in which such Director together with any of his associates are in aggregate 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 his associates is derived);
- (vi) any proposal or arrangement concerning 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 benefits scheme 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 generally accorded to the employees to which such scheme or fund relates; or
- (vii) any proposal or arrangement concerning the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which such Director or his associate(s) may benefit.

- (f) by deleting the existing Article 101. in its entirety and replacing it with the following:

“101. At each annual general meeting two of the Directors of the time being, shall retire from office, but shall be eligible for re-election.”

- (g) by deleting the existing Article 105. in its entirety and replacing it with the following:

“105. No person other than a retiring Director shall, unless recommended by the Directors 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 and notice in writing by that person of his willingness to be elected shall have been lodged at the Company at least seven days before the date of the general meeting and that the period for lodgment of both of such notices 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 days prior to the date of such general meeting.”

as **Ordinary Resolutions of the Company:-**

(2) **“THAT:**

- (a) subject to paragraph (c) below, the exercise by the directors of the Company (**“Directors”**) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and otherwise deal with additional shares of the Company (**“Shares”**) or securities convertible into Shares, or options, warrants or similar rights to subscribe for any Shares, and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall be in addition to any other authorizations given to the Directors and shall authorize the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of the share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to:-
 - (i) a Rights Issue (as hereinafter defined);
 - (ii) the exercise of rights of subscription or conversion under terms of any warrants issued by the Company or any securities which are convertible into Shares;
 - (iii) the exercise of any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of Shares or right to acquire Shares;
 - (iv) any scrip dividend or similar arrangements providing for the allotment of shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles of Association of the Company;

shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this Resolution and the said approval shall be limited accordingly;

- (d) subject to the passing of each of the paragraphs (a), (b) and (c) of this Resolution, any prior approvals of the kind referred to in paragraphs (a), (b) and (c) of this Resolution which had been granted to the Directors and which are still in effect be and are hereby revoked; and
- (e) 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;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the articles of association of the Company to be held; or
- (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders of the Company in general meeting;

“Rights Issue” means the allotment, issue or grant of Shares pursuant to an offer of Shares open for a period fixed by the Directors to holders of Shares or any class thereof on the register on a fixed record date in proportion to their then holdings of such Shares or class thereof (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognized regulatory body or any stock exchange in any territory outside Hong Kong).”

(3) **“THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors of Company (**“Directors”**) during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase the shares of the Company (**“Shares”**) on The Stock Exchange of Hong Kong Limited or on any other stock exchange on which the Shares may be listed and recognized for this purpose by the Securities and Futures Commission and The Stock Exchange of Hong Kong Limited under the Hong Kong Code on Share Repurchases, and subject to and in accordance with all applicable laws and 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 Shares which may be repurchased pursuant to the approval in paragraph (a) above shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this Resolutions and the said approval shall be limited accordingly;
- (c) subject to the passing of each of the paragraphs (a) and (b) of this Resolution, any prior approvals of the kind referred to in paragraphs (a) and (b) of this Resolution which had been granted to the Directors and which are still in effect be and are hereby revoked; 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;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the articles of association of the Company to be held; or
 - (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders of the Company in general meeting.”
- (4) “**THAT** conditional upon the passing of the Resolutions 4(2) and 4(3) as set out in the notice of this meeting, the general mandate granted to the directors of the Company (“**Directors**”) to exercise the powers of the Company to allot, issue and otherwise deal with shares of the Company pursuant to Resolution 4(2) above be and is hereby extended by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted by the Directors pursuant to such general mandate an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to Resolution 4(3) above, provided that such amount shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this Resolution.”

By order of the Board of
Interchina Holdings Company Limited
Lam Cheung Shing, Richard
Director and Company Secretary

Hong Kong, 30 July 2004

Notes:–

1. A shareholder entitled to attend and vote at the above meeting may appoint one or more than one proxy to attend and to vote in his stead. A proxy need not be a shareholder of the Company.
2. Where there are joint registered holders of any Share, any one such persons may vote at the meeting, either personally or by proxy, in respect of such Share as if he were solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such Shares shall alone be entitled to vote in respect thereof.
3. In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon together with the power of attorney or other authority, if any, under which it is signed or a notorially certified copy thereof must be delivered to the office of the Company's share registrars, Tengis Limited, at G/F, BEA Harbour View Centre, 56 Gloucester Road, Wan Chai, Hong Kong, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

As at the date of this announcement, the Company's executive directors are Mr. Zhang Yang, Mr. Chan Wing Yuen, Hubert and Mr. Lam Cheung Shing, Richard, non-executive director is Mr. Hui Ho Ming, Herbert, and independent non-executive directors are Mr. Lee Peng Fei, Allen, Mr. Wu Wai Chung, Michael, Mr. Wong Hon Sum and Ms. Ha Ping.

Please also refer to the published version of this announcement in The Standard dated 2 August 2004.