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CHINA EAGLE GROUP COMPANY LIMITED

中國鵬潤集團有限公司*

(Incorporated in Bermuda with limited liability)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting of China Eagle Group Company Limited (the “**Company**”) will be held at Bowen Room, Level 7, Conrad Hong Kong Pacific Place, 88 Queensway, Hong Kong on Wednesday, 31 March 2004 at 10:00 a.m. for the purpose of considering and, if thought fit, passing (with or without modification) the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

1. “**THAT** conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting the listing of, and permission to deal in, the Conversion Shares (as defined below):
 - (a) the entry by the Company into the sale and purchase agreement (the “**S&P Agreement**”) dated 6 February 2004 with Mr. Han Yue Jun, a copy of which together with a copy of a supplemental agreement (the “**Supplemental Agreement**”) dated 24 February 2004 have been produced to the meeting marked “A” and signed by the chairman for identification purposes, the transactions contemplated by the S&P Agreement and the Supplemental Agreement and the performance thereof by the Company, be and are hereby confirmed, ratified and approved;
 - (b) the entry by the Company into the subscription agreement (the “**Subscription Agreement**”) dated 6 February 2004 with Shinning Crown Holdings Inc., a copy of which has been produced to the meeting marked “B” and signed by the chairman for identification purposes, the transactions contemplated by the Subscription Agreement and the performance thereof by the Company, be and are hereby confirmed, ratified and approved;
 - (c) the directors of the Company (the “**Directors**”) be and are hereby authorised to issue the convertible notes (the “**Convertible Notes**”) pursuant to the terms of the Subscription Agreement;
 - (d) conditional upon the approval from the Bermuda Monetary Authority, if required, the Directors be and are hereby authorised, from time to time, to issue new shares of HK\$0.10 each in the capital of the Company (the “**Conversion Shares**”) upon the exercise of the conversion rights under the Convertible Notes on and subject to the terms and conditions of the Convertible Notes; and
 - (e) any one Director, or any two Directors if the affixation of the common seal is necessary, be and is/are hereby authorised for and on behalf of the Company to execute all such other documents, instruments and agreements and to do all such acts or things deemed by him/her to be incidental to, ancillary to or in connection with the matters contemplated under the S&P Agreement, the Supplemental Agreement and the Subscription Agreement.”

2. “**THAT** subject to the passing of Resolution No. 1 in the notice of which this resolution forms part, the authorised share capital of the Company shall be increased from HK\$2,000,000,000 to HK\$5,000,000,000 divided into 50,000,000,000 shares (“**Shares**”) of HK\$0.10 each in the capital of the Company by the creation of 30,000,000,000 new Shares, which shall rank pari passu in all respects with the existing shares then in issue in the capital of the Company.”
3. “**THAT** subject to the passing of Resolution No. 1 in the notice of which this resolution forms part, the waiver (the “**Whitewash Waiver**”) granted or to be granted by the Executive Director of the Corporate Finance Division of the Securities and Futures Commission pursuant to Note 6 of the Notes on Dispensations from Rule 26 of the Hong Kong Code on Takeovers and Mergers waiving any obligation on the part of Shinning Crown Holdings Inc. and parties acting in concert with it, to make a general offer for all the Shares (as defined in Resolution No. 2 of the notice of which this resolution forms part) not already owned by them as a result of the conversion of the Convertible Notes (as defined in Resolution No. 1 of the notice of which this resolution forms part), be and is hereby approved.”
4. “**THAT:**
 - (a) subject to paragraphs (b) and (c) hereunder, the granting of an unconditional general mandate to the Directors (as defined in Resolution No. 1 of the notice of which this resolution forms part), during the Relevant Period (as defined in paragraph (d) below) to issue, allot and deal with additional shares in the capital 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 would or might require Shares, to be issued, allotted or dealt with, be and is hereby generally and unconditionally approved;
 - (b) the unconditional general mandate under paragraph (a) above shall not extend beyond the Relevant Period save the Directors (as defined in Resolution No. 1 of the notice of which this resolution forms part) may during the Relevant Period make or grant offers, agreement and options which might require the exercise of such powers after the end of the Relevant Period;
 - (c) the aggregate nominal amount of Shares in the capital of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Board otherwise than pursuant to:
 - (i) a Rights Issue (as defined in paragraph (d) below);
 - (ii) the exercise of rights of subscription or conversion under the terms attaching to any warrants issued by the Company or any securities which are convertible into Shares;
 - (iii) the exercise of options granted under any option scheme or similar arrangement for the time being adopted for the grant of issue of Shares or rights to acquire shares in the capital of the Company to officers and/or employees of the Company and/or any of its subsidiaries; and
 - (iv) any scrip dividend or similar arrangement providing for the allotment of Shares in the share capital of the Company implemented in accordance with the bye-laws of the Company,shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution; 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; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Company’s bye-laws or any applicable laws to be held; or
- (iii) the date on which the authority set out under this resolution is revoked or varied by an ordinary resolution of the Company’s shareholders in general meeting.

“Rights Issue” means the allotment, issue or grant of Shares in the capital of the Company pursuant to an offer of Shares open for a period fixed by the Directors made to holders of Shares in the capital of the Company on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares (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 recognised regulatory body or any stock exchange in, or in any territory application to the Company).”

5. **“THAT:**

- (a) the Directors (as defined in Resolution No. 1 of the notice of which this resolution forms part) be and are hereby generally and unconditionally authorised to exercise during the Relevant Period (as defined in paragraph (c) below) all the powers of the Company to purchase its shares in the capital of the Company on the Stock Exchange or any other stock exchange recognised for this purpose by the Securities and Futures Commission of Hong Kong, subject to and in accordance with applicable laws;
- (b) the aggregate nominal amount of Shares (as defined in Resolution No. 4 of the notice of which this resolution forms part) which may be purchased pursuant to the approval in paragraph (a) above shall not in total exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution; and
- (c) 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 the Company’s bye-laws or any applicable laws to be held; or
- (iii) the date on which the authority set out under this resolution is revoked or varied by an ordinary resolution of the Company’s shareholders in general meeting.”

6. “**THAT**, conditional upon Resolutions No. 4 and 5, as set out in the notice of which this resolution forms part, being passed and becoming unconditional, the general mandate granted to the Directors (as defined in Resolution No. 1 of the notice of which this resolution forms part) to exercise the powers of the Company to allot, issue and deal with shares or other securities be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of Shares (as defined in Resolution No. 4 of the notice of which this resolution forms part) in the capital of the Company purchased by the Company under the authority granted pursuant to Resolution No. 5 as set out in the notice of which this resolution forms part provided that such extended amount 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 the passing of this resolution.”

Yours faithfully,
For and on behalf of the Board
Ng Kin Wah
Executive Director

Hong Kong, 15 March 2004

Registered office:
Cedar House
41 Cedar Avenue
Hamilton HM 12
Bermuda

Principal place of business:
Unit 6101, 61st Floor
The Center
99 Queen’s Road Central
Hong Kong

Notes:

- (1) Any member entitled to attend and vote at the Special General Meeting is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares of the Company may appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a member of the Company.
- (2) A form of proxy for use at the meeting is depatch to the shareholders of the Company with the circular.
- (3) The form of proxy must be signed by you or your attorney duly authorised in writing or, in the case of a corporation, must be under its seal or the hand of an officer, attorney or other person duly authorised.
- (4) The form of proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof must be lodged at the Company’s branch share registrars in Hong Kong, Abacus Share Registrars Limited, at G/F., BEA Harbour View Centre, 56 Gloucester Road, Wan Chai, Hong Kong, not later than 48 hours before the time appointed for holding the Special General Meeting or any adjourned meeting (as the case may be) and in default the proxy shall not be treated as valid. Completion and return of the form of proxy shall not preclude members from attending and voting in person at the Special General Meeting or at any adjourned meeting (as the case may be) should they so wish.
- (5) Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either in personal or by proxy, in respect of such share as if he/she was solely entitled thereto; but if more than one of such joint holders be present at the meeting in personal or by proxy, that the vote of one of the said persons so present whose name stands first on the register of members in respect of such share shall be accepted to the exclusion of the votes of the other joint holders.

* *For identification purposes only*

Please also refer to the published version of this announcement in The Standard.