



JINHUI HOLDINGS COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 137)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of Jinhui Holdings Company Limited (the “Company”) will be held at Caine Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Monday, 21 June 2004 at 9:30 a.m. for the following purposes:

1. To receive and consider the Financial Statements and the Reports of the Directors and Auditors for the year ended 31 December 2003.
2. To re-elect Directors and fix their remuneration.
3. To re-appoint Messrs. Moores Rowland Mazars as Auditors for the ensuing year and authorise the Directors to fix their remuneration.
4. To consider and, if thought fit, to pass, with or without amendments, the following resolution as an Ordinary Resolution:

ORDINARY RESOLUTION

“THAT:

- (a) subject to paragraph (c) and pursuant to section 57B of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong), the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such power be and it is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise 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 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 defined in paragraph (d) below); (ii) an issue of shares under 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 subsidiary companies of shares or rights to acquire shares of the Company; or (iii) the exercise of the subscription or conversion rights attaching to any warrants issued by the Company or any securities which are convertible into ordinary shares of the Company, shall not exceed 20% of the total nominal amount of the share capital of the Company in issue on the date of this Resolution and the said approval to the Directors in paragraph (a) above 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;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) to be held; or
- (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders in general meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the Directors to the shareholders on the register on a fixed record date in proportion to their shareholdings as at that date (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).”

5. To consider and, if thought fit, to pass, with or without amendments, the following resolution as an Ordinary Resolution:

ORDINARY RESOLUTION

“THAT:

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as defined in paragraph (c) below) of all the powers of the Company to repurchase its own shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and it is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of share capital repurchased by the Company pursuant to paragraph (a) above shall not exceed 10% of the total nominal amount of the share capital of the Company in issue on the date of this Resolution and the said approval to the Directors in paragraph (a) above shall be limited accordingly; 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;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) to be held; or

- (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders in general meeting.”

6. To consider as Special Business and, if thought fit, pass, with or without amendments, the following resolution as an Ordinary Resolution:

ORDINARY RESOLUTION

“THAT:

conditional upon Resolution No. 5 above being passed, the aggregate nominal amount of the number of shares in the capital of the Company which are repurchased by the Company under the authority granted to the Directors as mentioned in Resolution No. 5 above shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to Resolution No. 4 above, provided that the amount of share capital repurchased by the Company shall not exceed 10% of the total nominal amount of the share capital of the Company in issue on the date of this Resolution.”

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

SPECIAL RESOLUTION

“THAT the Articles of Association of the Company be amended by:

- (a) amending Article 1(1) as follows:

- (i) adding the following definition in Article 1(1):

“associate” has the same meaning as in the Rules Governing the Listing of Securities on the Stock Exchange;”

- (ii) deleting the definition of **“Disclosure of Interests Ordinance”** in Article 1(1) in its entirety;

- (b) amending Article 1(6) as follows:

- (i) adding the following after Article 1(6)(d) as a new Article 1(6)(e):

“(e) wherever any provision of these Articles (except a provision for the appointment of a proxy) requires that a communication as between the Company, its Directors or members be effected in writing, the requirement may be satisfied by the communication being given in the form of an electronic record if the person to whom the communication is given consents to it being given to him in that form; and”

- (ii) adding the following after Article 1(6)(e) as a new Article 1(6)(f):

“(f) wherever any provision of these Articles requires that a meeting of the Company, its Directors or members be held, the requirement may be satisfied by the meeting being held by such lawful electronic means and in such manner as may be agreed by the Company in general meeting.”

- (iii) deleting the word “and” at the end of Article 1(6)(c);
 - (iv) deleting the punctuation “.” at the end of Article 1(6)(d) and substituting it with “;”; and
 - (v) renumbering the Article which is immediately following Article 1(6)(f) from Article 1(6) to Article 1(7);
- (c) adding the following after Article 27 as a new Article 27A:
- “27A The Company shall, within ten business days after the date on which a transfer of any of its shares is lodged with the Company, complete and have ready for delivery the certificates of all shares so transferred, unless the conditions of issue of the shares otherwise provide. For the purpose of this Article, “business days” means any day on which the Stock Exchange is open for the business of dealing in securities, and “transfer” means a transfer duly stamped and otherwise valid, and does not include such transfer as the Company is for any reason entitled to refuse to register and does not register.”
- (d) adding the following after Article 69 as a new Article 69A:
- “69A Where any member is, under the Rules Governing the Listing of Securities on 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) adding the following sentence at the end of Article 86:
- “The Director appointing the alternate Director shall not be vicariously liable for any tort committed by the alternate Director while acting in the capacity of an alternate Director.”
- (f) deleting the words “not less than seven nor more than thirty-five days before the date appointed for holding the meeting,” in Article 95(b) and substituting therefor the words “not earlier than the day after the despatch of the notice of the general meeting and not later than seven days prior to the date of the meeting which period shall be at least 7 days,”;
- (g) deleting the word “special” in the second line of Article 100 and substituting therefor the word “ordinary”;
- (h) deleting Article 112(1) in its entirety and substituting therefor the following:
- “112. (1) Save as otherwise provided by these Articles, a Director shall not vote (nor be counted in the quorum) at a meeting of the Directors on any resolution concerning a matter in which he or any of his associates has a material interest (other than an interest in shares, debentures or other securities of, or otherwise in, the Company), unless the interest of the Director or any of his associates arises only because of the case falls within one or more of the following sub-paragraphs:

- (a) the resolution relates to the giving to him or any of his associates of a guarantee, security, or indemnity in respect of money lent to, or any obligation incurred by him or any of them for the benefit of, the Company or any of its subsidiaries;
 - (b) the resolution relates to the giving to a third party of a guarantee, security, or indemnity in respect of an obligation of the Company or any of its subsidiaries for which the Director or any of his associates has himself/themselves assumed responsibility in whole or in part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;
 - (c) the interest of the Director or any of his associates arises by virtue of him or any of them being, or intending to become, a participant in the underwriting or sub-underwriting of an offer of any shares in or debentures or other securities of the Company or any other company which the Company may promote or be interested in for subscription or purchase;
 - (d) the resolution relates to an arrangement for the benefit of employees of the Company or any of its subsidiaries, including but without being limited to an employees' share scheme, pension fund, or retirement, death or disability benefits scheme, which does not accord to any Director or any of his associates as such any privilege or advantage not generally accorded to the employees to whom the arrangement relates; and
 - (e) the resolution relates to a transaction or arrangement with any other company in which the Director or any of his associates is interested, whether directly or indirectly, as an officer or executive or shareholder or in which the director or any of his associates is beneficially interested in shares of that company, provided that he and his associates are not in aggregate holders of or beneficially interested in five per cent of more of the issued shares of any class of that company (or of any other company through which his interest or that of his associates is derived) and not entitled to exercise five per cent or more of the voting rights available to members of the relevant company (and for the purpose of calculating the said percentage there shall be disregarded any shares held by the Director or his associates as bare or custodian trustee and in which the Director and his associates have no beneficial interest, and any shares comprised in any unit trust scheme in which the Director and his associates are interested only as a unit holder).
- (i) deleting the word "status" in the third line of Article 129 and substituting therefor the word "statutes";
 - (j) adding the following after Article 130 as a new Article 130A:
"130A Notwithstanding Article 130, the Company shall be entitled to, pursuant to a relevant notice of intent sent by the member or holder of debentures to the Company, deliver or sent by post to the member or holder of debentures of the Company a

copy of a summary financial report prepared in accordance with the Ordinance in place of a copy of the documents referred to in Article 130 from which the report is derived.”

For the purpose of this Article, “summary financial report” shall have the meaning ascribed to it in the Ordinance.

(k) deleting the words “section 18 of the Disclosure of Interests Ordinance” in Article 134(2) and substituting therefor the words “section 329 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)”; and

(l) deleting Article 141 in its entirety and substituting therefor the following:

“141. (1) Subject to the provisions of the Ordinance, but without prejudice to any indemnity to which a Director may otherwise be entitled, every Director or other officer or auditor of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, which relate to anything done or omitted to be done by him as Director, officer or auditor of the Company and in which judgment is given in his favour or in which he is acquitted; or incurred in connection with any application in which relief is granted to him by the court.

(2) The Company may purchase and maintain for any Director, officer and auditor 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.

For the purpose of this Article, “related company” means any company that is the Company’s subsidiary or holding company or a subsidiary of that holding company.”

8. To transact such other business as may properly be transacted at an annual general meeting.

By Order of the Board
Ho Suk Lin
Company Secretary

Hong Kong, 13 April 2004

Notes:

1. A member entitled to attend and vote at the above meeting 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. In order 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 lodged at the registered office of the Company at 26th Floor, Yardley Commercial Building, 1-6 Connaught Road West, Hong Kong not less than 48 hours before the time appointed for holding the above meeting and any adjourned meeting.
3. The register of members of the Company will be closed from 17 June 2004 to 21 June 2004, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for voting at the meeting, shareholders should ensure that they are registered as members of the Company on 16 June 2004.
4. A circular containing further details on resolutions 4 to 6 above will be sent to members together with the annual report.

Please also refer to the published version of this announcement in China Daily.