



大連港股份

Dalian Port (PDA) Company Limited*

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2880)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Dalian Port (PDA) Company Limited (the "Company") will be held at Room 2208, Times Building, No. 7 Gangwan Street, Zhongshan District, Dalian City, Liaoning Province, PRC on 1 December 2006 at 10:00 a.m. for the purposes of considering, approving and authorizing the following matters:

AS SPECIAL RESOLUTIONS:

1. To consider and approve the conversion of the Company into a sino-foreign joint stock limited company and related amendments to the Articles of Association as follows:

- (a) **THAT** Article 1 of the Articles of Association be amended as: "The Company (the "Company") is a sino-foreign joint stock limited company established in accordance with the Company Law of the People's Republic of China (the "Company Law"), the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (the "Special Regulations"), the Certain Questions on the Establishment of Foreign-invested Joint Stock Limited Company Tentative Provisions (the "Tentative Provisions") and the applicable laws and regulations of the People's Republic of China (the "PRC").";
- (b) **THAT** Article 5 of the Articles of Association be amended as: "The Company is a joint stock limited company with perpetual existence. The status of the Company is a sino-foreign joint stock limited company. The Company is an independent legal person subject to the jurisdiction and under the protection of the laws and regulations of the People's Republic of China.";
- (c) **THAT** Article 21 of the Articles of Association be amended by inserting the following as the second paragraph: "The total investment of the Company is RMB8,500,000,000.";
- (d) **THAT** Article 156 of the Articles of Association be amended as: "The Company shall distribute its profit after payment of taxes in the following order: (i) making up losses; (ii) allocation of reserve fund; (iii) allocation of bonuses and welfare fund for employees; (iv) allocation of expansion fund; and (v) distribution of dividends. The allocation and the proportion of allocation of funds referred to in (ii), (iii), (iv) and (v) in any particular year shall be proposed by the Board of Directors based on operation circumstances and needs of expansion of the Company and decided by the shareholders in general meeting.";
- (e) **THAT** Article 157 of the Articles of Association be amended as: "The Company shall not distribute dividends or carry out other distributions by way of bonus before any losses are made up.";
- (f) **THAT** Article 158 of the Articles of Association be amended as:

"In the event that the reserve fund of the Company is insufficient to make up the losses of the previous year, the profits of the current year shall first be used to make up the losses before making any allocation of reserve fund.

After making up losses and allocation of reserve fund, bonuses and welfare fund for employees and expansion fund, the profits of the Company may be distributed to the shareholders in proportion to their respective shareholdings.

If the shareholders or the Board of Directors distribute profits before making up losses and allocation of reserve fund, bonuses and welfare fund for employees and expansion fund in breach of the stipulation of the previous paragraph, the profits distributed must be returned to the Company.";

- (g) **THAT** Article 159 of the Articles of Association be amended as: "Expansion fund shall be allocated from the profits of the Company after allocation of reserve fund and bonuses and welfare fund for employees according to the shareholders' resolution.";
- (h) **THAT** Article 161 of the Articles of Association be amended as: "The reserve fund, expansion fund and common reserve fund of the Company may be applied for the following use:
 - (i) making up losses;
 - (ii) expanding the Company's productions and operation; or
 - (iii) converting into the capital of the Company. The Company may convert its reserve fund and common reserve fund into capital with the approval of the Shareholders in a general meeting. When such conversion takes place, the company shall either issue new shares to the existing shareholders in proportion to their respective shareholdings or increase the par value of each share, provided, however, that when the reserve fund is converted to capital, the balance of the reserve fund may not fall below 25% of the registered capital."; and
- (i) **THAT** Article 162 of the Articles of Association be amended as: "The Company's bonuses and welfare fund for employees is used for the collective welfare of the Company's employees."

2. To consider and, if thought fit, approve the following resolution as a special resolution:

"THAT:

- (a) The Board of Directors be and is hereby granted, during the Relevant Period, a general mandate to separately or concurrently issue, allot and deal with additional Domestic Shares and/or H Shares of the Company, and to make or grant offers, agreement, and options in respect thereof, subject to the following conditions:
 - (i) such mandate shall not extend beyond the Relevant Period save that the Board of Directors may during the Relevant Period make or grant offers, agreements or options which may require the exercise of such powers after the end of the Relevant Period;

- (ii) the aggregate nominal amount of the Domestic Shares and/or H Shares allotted and issued by the Board of Directors shall not exceed 20% of the aggregate nominal amount of the Domestic Shares and H Shares, respectively, of the Company in issue as at the date of this special resolution; and
- (iii) the Board of the Directors will only exercise its power under such mandate in accordance with the Company Law of the People's Republic of China and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time) and only if necessary approval from the China Securities Regulatory Commission and/or other relevant approval authorities are obtained.

For the purpose of this special resolution,

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

- (i) the conclusion of the next annual general meeting of the Company following passing of this special resolution;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or other applicable laws to be held; and
 - (iii) the date on which the authority set out in this special resolution is revoked or varied by a special resolution of the Shareholders of the Company in a general meeting of the Company.
- (b) The Board of Directors be and is hereby authorized to approve, execute and do or procure to be executed and done, all such documents, deeds and things as it may consider necessary in connection with the issue of such new shares (including without limitation, determining the time and place of issue, making all necessary application to the relevant authorities, entering into underwriting agreements or any other agreements and determining the use of proceeds);
 - (c) The Board of Directors be and is hereby authorized to make such amendments to the Articles of Association in connection with an increase of the registered capital of the Company to reflect the new capital structure of the Company upon the allotment and issuance of new shares of the Company as contemplated in this special resolution and make all necessary filings and registrations with the relevant PRC, Hong Kong and other relevant authorities."

By Order of the Board of Directors
MA Jinru **LEE Kin Yu, Arthur**
Joint Company Secretaries

16 October 2006

Notes:

1. Each shareholder entitled to attend and vote at the extraordinary general meeting is entitled to appoint one or more proxies to attend and vote on his/her behalf at the extraordinary general meeting. A proxy need not be a shareholder of the Company. A proxy of a shareholder may vote by hand or on a poll. With respect to any shareholder who has appointed more than one proxy, the proxy holders may only vote on a poll.
2. To be valid, a form of proxy, together with any power of attorney or other authorization document (if any) signed by the authorized persons or the notarially certified power of attorney must be delivered to (for holders of domestic shares) to the office of the Board of Directors at Room 2208, Times Building, No. 7, Gangwan Street, Zhongshan District, Dalian City, Liaoning Province, PRC or (for holders of H shares) the Company's Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 24 hours before the time designated for holding the extraordinary general meeting. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person should they wish.
3. The registration procedure for attending the extraordinary general meeting is as follows:
 - (a) shareholders attending the meeting in person or by proxy are required to present their identity certification. If the attending shareholders is a corporation, its legal representative or person authorized by the board or other decision making authority is required to present a copy of the relevant resolution of the board or other decision making authority approving him/her to be the legal or duly authorized representative, in order to attend the meeting on behalf of such corporations; and
 - (b) shareholders intending to attend the meeting "in person or by proxy" are required to return the attendance slip via hand delivery, mail or fax to the office of the Board of Directors on or before 5:00 p.m. on 10 November 2006.
4. The register of members of the Company will be closed from 1 November to 30 November 2006 (both days inclusive), during which no share transfer will be registered. Where applicable, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company's Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:00 p.m. on 31 October 2006.
5. The contact details of the office of the Board of Directors are as follows:

Room 2208, Times Building
No. 7, Gangwan Street
Zhongshan District
Dalian City, Liaoning Province
PRC
Postal Code: 116001
Telephone No.: 86 411 82798566-107/401/411
Facsimile No.: 86 411 82798566-405
6. The extraordinary general meeting is expected to last for half a day and shareholders (in person or by proxy) attending the meeting shall be responsible for their own transportation and accommodation expenses.
7. The existing Board of Directors of the Company comprises three executive directors, namely Mr. SUN Hong, Mr. JIANG Luning and Ms. SU Chunhua, two non-executive directors, namely Mr. LU Jianmin and Mr. ZHANG Fengge and three independent non-executive directors, namely Mr. YANG Zan, Mr. ZHANG Xianzhi and Mr. Ng Ming Wah, Charles.

* The Company is registered as an overseas company under Part XI of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) under the English name "Dalian Port (PDA) Company Limited".