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GOLD-FACE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

NOTICE OF ANNUAL GENERAL MEETING

PROPOSALS FOR GRANT OF

GENERAL MANDATES TO ISSUE AND REPURCHASE SECURITIES

A notice convening the annual general meeting of Gold-Face Holdings Limited to be held at Fung Shui Room II, 6th Floor, The Hongkong Hotel, Harbour City, Tsimshatsui, Kowloon, Hong Kong on Wednesday, 18th September, 2002 at 2:30 p.m. is set out on pages 8 to 10 of this circular. Whether or not shareholders are able to attend the annual general meeting in person, they are requested to complete and return the form of proxy in accordance with the instructions printed thereon to the office of the Hong Kong Share Registrars of the Company, Secretaries Limited at 5th Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong as soon as possible but in any event no later than 2:30 p.m. on 16th September, 2002. Completion of the form of proxy will not preclude shareholders from attending and voting at the meeting in person if they so wish.

29th July, 2002

LETTER FROM THE MANAGING DIRECTOR



GOLD-FACE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Executive Directors:

Tai Kuen, S.B.S., J.P. (*Chairman*)
Tai Chi Wah (*Managing Director*)
Poon Chi Fai, J.P.
Tai Yiu Wah, Robert
Tai Seow Yoke Peng
Charles Arthur Alan Nicol, O.B.E., A.M.N.

Independent Non-Executive Directors:

Wan Tai Min, Tommy
Wong Po Long, John
Liu Chun Ning, Wilfred

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Principal place of
business in Hong Kong:*

Room 606
Silvercord Tower 1
30 Canton Road
Kowloon
Hong Kong

29th July, 2002

Dear Sir or Madam,

GENERAL MANDATES TO ISSUE NEW SHARES AND TO REPURCHASE SECURITIES

1. INTRODUCTION

It was announced on 10th July, 2002, in conjunction with the announcement of the Group's results for the year ended 31st March, 2002, that resolutions will be proposed to grant to the Directors general mandates to issue new Shares and to repurchase securities since the previous general mandates granted on 30th August, 2001 to the Directors will expire at the forthcoming Annual General Meeting.

The purpose of this circular is to provide you with further details regarding the general mandates in order to enable shareholders of the Company to make an informed decision on whether to vote for or against the relevant resolutions to approve the general mandates at the Annual General Meeting.

LETTER FROM THE MANAGING DIRECTOR

2. REPURCHASE MANDATE AND GENERAL MANDATE TO ISSUE NEW SHARES

At the Annual General Meeting, an ordinary resolution will be proposed that the Directors be given the Repurchase Mandate to exercise all powers of the Company to purchase securities of the Company. In particular, Shareholders should note that the maximum number of Shares which may be purchased pursuant to the Repurchase Mandate will be such number of Shares representing 10% of the aggregate of the share capital of the Company in issue as at the date of passing the relevant resolution. Based on 940,731,678 Shares in issue as at 22th July, 2002 (the Latest Practicable Date prior to the printing of this circular (the “Latest Practicable Date”)), the Company would therefore be allowed to purchase a total of 94,073,167 Shares. Shareholders should also note that the authority relates only to purchases to be made on the Stock Exchange and otherwise in accordance with the Listing Rules. In addition, Shareholders should note that the Repurchase Mandate will continue in force until the conclusion of the next annual general meeting of the Company or any earlier date as referred to in paragraph (e) of ordinary resolution numbered B set out in the notice of the Annual General Meeting.

The resolution to approve the Repurchase Mandate, if passed, will revoke the repurchase mandate granted to the Directors at the last annual general meeting of the Company held on 30th August, 2001.

In accordance with the requirements of the Listing Rules, the Company is required to send to the Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the grant of the Repurchase Mandate. A summary of certain provisions of the Listing Rules relating to the purchase of securities and an explanatory statement required by the Listing Rules in connection with the Repurchase Mandate are set out in the Appendix to this circular.

At the Annual General Meeting, a resolution will also be proposed to grant to the Directors the power to allot and issue new Shares up to a limit of 20% of the issued share capital of the Company at the time of passing of that resolution.

3. RECOMMENDATION

The Directors believe that (i) the granting of the mandate to issue Shares and (ii) the granting of the Repurchase Mandate are in the best interests of the Company and recommend Shareholders to vote in favour of the resolutions to approve the same at the Annual General Meeting.

LETTER FROM THE MANAGING DIRECTOR

4. ANNUAL GENERAL MEETING

Set out on pages 8 to 10 of this document is a notice of the Annual General Meeting to be held at Fung Shui Room II, 6th Floor, The Hongkong Hotel, Harbour City, Tsimshatsui, Kowloon, Hong Kong on 18th September, 2002 at 2:30 p.m. At the Annual General Meeting, resolutions will be proposed (i) to approve the grant of the general mandate to issue new Shares, (ii) to approve the grant of the Repurchase Mandate and (iii) to grant a general mandate to the Directors permitting the issue and allotment of Shares with an aggregate nominal value equal to the aggregate nominal amount of share capital of the Company repurchased pursuant to the Repurchase Mandate.

Whether or not you intend to attend the Annual General Meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon not less than 48 hours before the time appointed for holding the Annual General Meeting. The return of a form of proxy will not preclude you from attending and voting in person if you so wish.

5. CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 16th September, 2002, to 18th September, 2002 (both days inclusive) in order to ascertain list of members entitled to vote at the Annual General Meeting.

6. ADDITIONAL INFORMATION

Your attention is drawn to the Appendix which contains information in connection with the Repurchase Mandate.

Yours faithfully,
Tai Chi Wah
Managing Director

In compliance with the Listing Rules, the purpose of this explanatory statement is to provide information to you in connection with the grant of the Repurchase Mandate to the Directors for the purchase of the Company's securities.

1. The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their securities on the Stock Exchange subject to certain restrictions, the most important of which are summarised below:

(i) Shareholders' approval

The Listing Rules provided that all proposed repurchases of securities by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of a general mandate or by a specific approval of a particular transaction.

(ii) Source of funds

Repurchases must be funded out of funds legally available for the purpose under Bermuda law and the Company's bye-laws.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 94,731,678 Shares. Subject to the passing of the relevant ordinary resolution to approve the Repurchase Mandate and on the basis that no further Shares are issued prior to the Annual General Meeting, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 94,073,167 Shares.

3. REASONS FOR REPURCHASES

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the shareholders as the ability of the Company to repurchase up to 10% of the Shares that will be in issue immediately following the passing of the relevant resolution will give the Company additional flexibility. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the value of the Company's securities and/or its earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

4. FUNDING OF REPURCHASES

In repurchasing the Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association and bye-laws and the laws of Bermuda.

The Directors do not propose to exercise the repurchase mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels (as compared with the position disclosed in the Company's audited accounts made up to 31st March, 2002) which in the opinion of the Directors are from time to time appropriate for the Company.

5. GENERAL

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their respective associates (as defined in the Listing Rules), have any present intention to sell any Shares to the Company or its subsidiaries.

The Directors have undertaken to the Stock Exchange to exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Bermuda.

However, any repurchase of Shares which will result in the number of Shares in the hands of the public falling below the relevant prescribed minimum for the Company, presently being 25% of the Shares then in issue, could only be implemented with the agreement of the Stock Exchange to waive the dealing restriction regarding the public shareholding referred to above. A waiver of this provision would not normally be given by the Stock Exchange except in extraordinary circumstances.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, the shareholdings of the substantial shareholders holding 10% or more of the issued share capital of the Company were as follows:

Shareholder's Name	No. of Shares held	% of issued share capital of the Company
Questrole Profits Limited ("Questrole Profits")	154,427,556	16.42%
Propertyline Properties Limited ("Propertyline")	168,436,000	17.90%
Value Consultants Limited ("Value Consultants")	131,697,600	14%

If, as a result of a securities repurchase pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Hong Kong Code on Takeovers and Mergers (the "Code"). Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Code. In the event that the Directors exercised in full the power to repurchase Shares in accordance with the Repurchase Mandate, the shareholding percentage of Questrole Profits, Propertyline and Value Consultants will increase to 18.24%, 19.89% and 15.56% respectively.

Questrole Profits and Propertyline are companies owned by discretionary trusts, the discretionary objects of which include Mr. Tai Chi Wah, a Director, and are considered parties acting in concert for the purpose of the Code. As such, their aggregate shareholding in the Company will be increased from approximately 34.32% to 38.13% of the issued share capital of the Company. Accordingly, Questrole Profits and Propertyline could be required under Rule 26 of the Code to make a mandatory offer in respect of all the issued securities of the Company pursuant to such increase. Save as aforesaid, the Directors are not aware of any Shareholder or group of Shareholders who will become obliged to make a mandatory offer under the Code as a consequence of any purchases pursuant to the Repurchase Mandate.

No connected person (as defined in the Listing Rules) has notified the Company that he has a present intention to sell Shares to the Company, or has undertaken not to do so in the event that the Company is authorised to make purchases of Shares.

6. PRICES OF SHARES

The highest and lowest prices at which the Shares were traded on the Stock Exchange in each of the previous twelve months immediately prior to the Latest Practicable Date were as follows:

		Shares	
		Highest	Lowest
		\$	\$
2001	July	1.200	0.780
	August	1.150	0.700
	September	0.890	0.660
	October	0.860	0.750
	November	0.860	0.700
	December	0.800	0.720
2002	January	0.790	0.540
	February	0.580	0.475
	March	0.500	0.430
	April	0.485	0.400
	May	0.580	0.430
	June	0.480	0.430

7. SHARE PURCHASES MADE BY THE COMPANY

In the six months preceding the date of this circular, the Company had repurchased its Shares on the Stock Exchange as follows:

Date of Repurchases	Number of Shares	Price per Share	
		Highest <i>HK\$</i>	Lowest <i>HK\$</i>
1 February 2002	1,542,000	0.550	0.500
5 February 2002	3,312,000	0.530	0.495
6 February 2002	760,000	0.550	0.510
21 February 2002	2,050,000	0.550	0.500
22 February 2002	630,000	0.510	0.500
25 February 2002	916,000	0.490	0.480
21 March 2002	750,000	0.475	0.470
22 March 2002	240,000	0.475	0.470
25 March 2002	350,000	0.465	0.465
26 March 2002	2,390,000	0.470	0.435
	<u>12,940,000</u>		

NOTICE OF ANNUAL GENERAL MEETING



GOLD-FACE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of the Company will be held at Fung Shui Room II, 6th Floor, The Hongkong Hotel, Harbour City, Tsimshatsui, Kowloon, Hong Kong, on Wednesday, 18th September, 2002 at 2:30 p.m. for the following purposes:

1. To receive and adopt the audited consolidated financial statement and the reports of the directors and auditors for the year ended 31st March, 2002.
2. To re-elect the following persons as directors of the Company:
 - (i) Mr. Poon Chi Fai, J.P.
 - (ii) Mr. Tai Yiu Wah, Robert
 - (iii) Mr. Wong Po Lung, John
3. To appoint auditors of the Company and to authorise the Board to fix their remuneration.
4. As Special Business, to consider and, if thought fit, pass each of the following resolutions A, B and C as an Ordinary Resolution:
 - A. **“THAT:**
 - (a) a general mandate be and is hereby unconditionally given to the directors of the Company (the “Directors”) to exercise during the Relevant Period (as hereinafter defined) all the powers of the Company to allot, issue and dispose of unissued shares of HK\$0.10 each in the capital of the Company and to make or grant offers, agreements or options which would or might require the exercise of such powers either during or after the Relevant Period, in addition to any shares which may be issued on a Rights Issue (as hereinafter defined) or under any option scheme or similar arrangement for the time being adopted for the grant or issue to the employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company or upon the exercise of the subscription rights under any warrants and/or convertible notes issued by the Company or as scrip dividends pursuant to the Bye-laws of the Company not exceeding twenty per cent. of the aggregate nominal value of the share capital of the Company in issue at the time of passing this Resolution and the said approval shall be limited accordingly; and

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- (b) for the purpose of this Resolution:

“Relevant Period” means the period from the time of the passing of this Resolution until whichever is the earliest 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 any applicable law or the By-laws of the Company to be held; and
- (iii) the time at which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares on the register of members on a fixed record date in proportion to their then holdings of such shares (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 any relevant jurisdiction, or of the requirements of any recognised regulatory body or any stock exchange applicable to the Company).”

B. “THAT:

- (a) subject to paragraphs (c) and (d) below, the exercise by the directors of the Company (the “Directors”) during the Relevant Period of all powers of the Company to (i) repurchase issued shares in the capital of the Company and (ii) repurchase warrants or other rights to subscribe for shares in the capital of the Company in each case 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 of Hong Kong and the Stock Exchange for this purpose, and that the exercise by the Directors of all powers of the Company to repurchase such securities, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to purchase its shares and warrants at a price determined by the Directors;
- (c) the aggregate nominal amount of share capital of the Company repurchased or agreed conditionally or unconditionally to be repurchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the time of passing this Resolution and the said approval shall be limited accordingly;

NOTICE OF ANNUAL GENERAL MEETING

(d) the subscription rights attaching to the warrants of the Company which the Company is authorised to repurchase pursuant to the approval in paragraph (a) shall not exceed 10 per cent. of the total subscription rights attaching to all warrants of the Company outstanding at the time of passing of this Resolution and the said approval shall be limited accordingly; and

(e) for the purpose of this Resolution:

“Relevant Period” means the period from the time of 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 Bye-laws of the Company or any applicable law of Hong Kong or Bermuda to be held; and
- (iii) the revocation or variation of this resolution by any ordinary resolution of the Company in general meeting.”

C. “**THAT** conditional upon the passing of Ordinary Resolutions A and B set out in the notice of the meeting of which this Resolution forms part, the aggregate nominal amount of the shares in the capital of the Company which are repurchased by the Company pursuant to and in accordance with the said Ordinary Resolution B shall be added to the aggregate nominal amount of the share capital of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to and in accordance with the said Ordinary Resolution A.”

5. To transact any other ordinary business of the Company.

By order of the Board
Tai Chi Wah
Managing Director

Hong Kong, 10th July, 2002

Notes:

1. A member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company.
2. In order to be valid, the proxy form together with the power of attorney or other authority (if any) under which it is signed (or a certified copy of such power or authority), must be deposited at the office of the Hong Kong Share Registrars of the Company, Secretaries Limited, situated at 5th Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong, no later than 2:30 p.m. on 16th September, 2002.
3. With regard to Ordinary Resolution A above, the directors of the Company wish to state that they have no immediate plans to issue any new shares of the Company.
4. The Register of members will be closed from 16th September, 2002 to 18th September, 2002, both days inclusive during which no transfer of Shares will be registered.