
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold all your shares and/or warrants of Asia Aluminum Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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ASIA ALUMINUM HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

**PROPOSALS FOR
REFRESHMENT OF THE 10 PER CENT. LIMIT
ON GRANT OF OPTIONS
UNDER THE SHARE OPTION SCHEME
AND
GENERAL MANDATE TO REPURCHASE SECURITIES
AND TO ISSUE SECURITIES**

The Annual General Meeting is to be held at 12th Floor, Railway Plaza, 39 Chatham Road South, Tsimshatsui, Kowloon, Hong Kong on Monday, 9 December 2002 at 11:00 a.m. Whether or not you are able to attend the meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the head office and principal place of business of the Company in Hong Kong at 12th Floor, Railway Plaza, 39 Chatham Road South, Tsimshatsui, Kowloon, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or at any adjournment thereof should you so wish.

31 October 2002

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DEFINITIONS

In this circular, the following expressions shall have the following meanings unless the context indicates otherwise:

“1998 Share Option Scheme”	the share option scheme adopted by the Company on 19 February 1998 for the grant of share options to the employees of the Group (including the Director), which was terminated on 7 December 2001 upon the adoption of the Share Option Scheme.
“2002 Warrants”	warrants already expired on 19 March 2002 which originally entitled the holders thereof to subscribe for new Shares at a subscription price of HK\$0.69 per Share from 20 March 2000 to 19 March 2002, both days inclusive.
“Annual General Meeting”	the annual general meeting of the Company to be held on Monday, 9 December 2002 at 11:00 a.m., notice of which is set out in this circular
“Board”	the board of Directors
“Company”	Asia Aluminum Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the Securities of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“Eligible Participants”	any employees or executives or officers of the Group (including the executive and non-executive directors of the Group) and any suppliers, consultants and advisers who will or have provided services to the Group
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Latest Practicable Date”	25 October 2002, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Securities”	the Shares and the Warrants
“Share Option Scheme”	the share option scheme adopted by the Company on 7 December 2001 for the grant of share options to the Eligible Participants
“Shareholders”	holders of the Shares

DEFINITIONS

“Shares”	ordinary shares of HK\$0.10 each in the ordinary share capital of the Company and a “Share” shall be construed accordingly
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers
“Warrantholders”	holders of the Warrants
“Warrants”	warrants entitling the holder(s) thereof to subscribe for new Shares at an initial subscription price of HK\$0.77 per Share (subject to adjustments) from 10 April 2002 to 9 April 2004, both days inclusive (or such earlier date as provided in the instrument constituting the warrants)

LETTER FROM THE CHAIRMAN



ASIA ALUMINUM HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Executive Directors:

Mr. KWONG Wui Chun (*Chairman*)
Mr. HUNG Pann Yi (*Deputy Chairman*)
Mr. CHAN Yiu Tsuan, Benby (*Managing Director*)
Mr. ZHONG Jianqiu

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Independent Non-executive Directors:

Mr. MATsz Chun
Mr. GAN Ming Hui

*Head office and principal place of
business in Hong Kong:*

12th Floor
Railway Plaza
39 Chatham Road South
Tsimshatsui
Kowloon
Hong Kong

31 October 2002

*To the Shareholders and for information only, the holders
of convertible bonds, warrants and options issued by the Company*

Dear Sir or Madam,

**PROPOSALS FOR
REFRESHMENT OF THE 10 PER CENT. LIMIT
ON GRANT OF OPTIONS
UNDER THE SHARE OPTION SCHEME
AND
GENERAL MANDATE TO REPURCHASE SECURITIES
AND TO ISSUE SECURITIES**

1. INTRODUCTION

At the Annual General Meeting, an ordinary resolution, among others, will be proposed for the Company to approve the refreshment of the 10 per cent. limit on grant of options under the Share Option Scheme of the Company. An ordinary resolution will also be proposed that the Directors be given a general mandate to exercise all the powers of the Company to repurchase fully-paid Securities and to issue Securities. The purpose of this circular is to provide you with further details in respect of the proposed refreshment of the 10 per cent. limit of the Share Option Scheme and the proposed grant of mandates to repurchase Securities and to issue Securities.

LETTER FROM THE CHAIRMAN

2. REFRESHMENT OF THE 10 PER CENT. LIMIT ON GRANT OF OPTIONS UNDER THE SHARE OPTION SCHEME

The Company adopted the Share Option Scheme and terminated the 1998 Share Option Scheme pursuant to an ordinary resolution of the Shareholders passed on 7 December 2001.

The purpose of the Share Option Scheme is to enable the Company to grant options to the Eligible Participants, being employees, executives or officers of the Group (including executive and non-executive Directors of the Group) and any suppliers, consultants or advisers who will provide or have provided services to the Group as incentives and rewards for their contribution to the Group. Except that no further options may be granted under the 1998 Share Option Scheme, all options granted pursuant to the 1998 Share Option Scheme remain valid and exercisable in accordance with the provisions of the 1998 Share Option Scheme.

The subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall be such price as the Board in its absolute discretion shall determine, save that such price will not be less than the highest of (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; (b) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of grant; and (c) the nominal value of a Share.

Under the rules of the Share Option Scheme, the total number of Shares which may be issued upon the exercise of all options granted under the Share Option Scheme is limited to 10% of the Company's issued share capital as at the date of the adoption of the Share Option Scheme. Accordingly, as at 7 December 2001, being the adoption date of the Share Option Scheme, the maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme is 225,678,141 Shares.

As at the Latest Practicable date, options carrying the rights to subscribe for up to a total of 220,200,000 Shares have been granted in accordance with the terms and conditions of the Share Option Scheme and of which 28,600,000 options have been exercised. Unless the 10 per cent. limit on grant of options under the Share Option Scheme is "refreshed", only up to 5,478,141 Shares may be issued pursuant to the grant of further options under the existing limit of the Share Option Scheme.

As at the Latest Practicable Date, the number of options granted and remain outstanding and valid were 46,800,000 options and 191,600,000 options for the 1998 Share Option Scheme and Share Option Scheme respectively, particular, of which are set forth below:

	1998 Share Option Scheme	Share Option Scheme
Options originally granted	107,488,000	220,200,000
Options adjusted for the effect of bonus share issue made by the Company in April 2001	31,000,000	N/A
Total number of options granted	138,488,000	220,200,000
Options exercised	91,688,000	28,600,000
Options cancelled	-	-
Options lapsed	-	-
Options outstanding and valid as at the Latest Practicable Date	<u>46,800,000</u>	<u>191,600,000</u>
Further options can be granted before approval of the shareholders at the AGM to refresh the 10% limit	<u>Nil</u>	<u>5,478,141</u>

It is therefore proposed that subject to the approval of the Shareholders at the Annual General Meeting and such other requirements prescribed under the Listing Rules, the limit on grant of options

LETTER FROM THE CHAIRMAN

under the Share Option Scheme will be refreshed to 10 per cent of the Shares in issue as at the date of the approval by the Shareholders in Annual General Meeting and options previously granted under any share option scheme(s) of the Company (including those outstanding, cancelled, lapsed in accordance with such scheme(s) or exercised options) will not be counted for the purpose of calculating the limit as refreshed.

Pursuant to the Listing Rules, the Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme(s) of the Company at any time will not exceed 30 per cent of the Shares in issue from time to time. No options shall be granted under any scheme(s) of the Company or any of its subsidiaries if this will result in the 30 per cent limit being exceeded.

As at the Latest Practicable Date, there were 2,377,726,484 Shares in issue. Assuming that no further Shares will be issued prior to the date of approving the refreshed limit by Shareholders, the maximum number of options that can be granted by the Company under the refreshed limit would be 237,772,648 Shares.

Conditions

As required by the Share Option Scheme and the Listing Rules, an ordinary resolution will be proposed at the Annual General Meeting to approve the “refreshed” limit of the Share Option Scheme such that the total number of Shares which may be issued upon exercise of all options to be granted under the refreshed limit must not exceed 10% of the total number of Shares in issue as at the date of approving of the refreshed limit.

The adoption of the refreshed limit of the Share Option Scheme of the Company is conditional upon:

- (a) the Shareholders passing an ordinary resolution to approve the refreshed limit on grant of options under the Share Option Scheme at the Annual General Meeting; and
- (b) the Stock Exchange granting the approval of the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of any options granted under the refreshed limit.

Application for Listing

Application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares which may fall to be issued upon the exercise of any options that may be granted under the refreshed limit.

3. GENERAL MANDATE TO REPURCHASE SECURITIES

At the Annual General Meeting, an ordinary resolution will be proposed that the Directors be given a general mandate to exercise all the powers of the Company to repurchase fully paid Securities (the “Repurchase Mandate”). Under the Repurchase Mandate, the number of Shares that the Company may repurchase shall not exceed 10% of the issued and fully-paid share capital of the Company and 10% of all outstanding Warrants of the Company respectively at the date of the resolution. The Company’s authority is restricted to purchases made on the Stock Exchange in accordance with the Listing Rules. The mandate allows the Company to make purchases only during the period ending on the earliest of the date of the next annual general meeting of the Company, the date by which the next annual general meeting of the Company is required to be held by the Company’s Bye-laws or any applicable law of Bermuda or the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

Explanatory statement containing information necessary to enable the Shareholders to make an informed decision on the proposed resolution for the grant of the Repurchase Mandate as required by the Listing Rules is set out in the Appendix to this circular.

LETTER FROM THE CHAIRMAN

4. GENERAL MANDATE TO ISSUE SECURITIES

At the Annual General Meeting, a resolution will also be proposed that the Directors be given a general mandate to issue shares representing up to 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of the resolution in order to ensure flexibility and discretion to the Directors to issue securities. In addition, a resolution will be proposed to extend the general mandate by adding to it the number of such securities repurchased under the Repurchase Mandate.

5. ANNUAL GENERAL MEETING

Set out in this circular is a notice convening the Annual General Meeting which will be held at 12th Floor, Railway Plaza, 39 Chatham Road South, Tsimshatsui, Kowloon, Hong Kong on Monday, 9 December 2002 at 11:00 a.m. at which ordinary resolutions will be proposed to approve the refreshment of the limit on grant of options under the Share Option Scheme and the granting of general mandate to repurchase Securities and to issue Securities.

The form of proxy for use at the Annual General Meeting is enclosed with this circular. Whether or not you intend to attend the Annual General Meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the head office and principal place of business of the Company in Hong Kong at 12th Floor, Railway Plaza, 39 Chatham Road South, Tsimshatsui, Kowloon, Hong Kong as soon as practicable and in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjournment thereof. Delivery of a form of proxy will not preclude you from attending and voting in person at the meeting or any adjourned meeting should you so desire.

6. RECOMMENDATION

The Directors are of the opinion that the proposed resolutions for the refreshment of the limit on grant of options under the Share Option Scheme and the granting of general mandate to repurchase Securities and to issue Securities are in the interests of the Company, and in particular, the Group as a whole. The Directors therefore recommend the Shareholders to vote in favour of all the resolutions to be proposed at the Annual General Meeting. The Directors who are also Shareholders intend to cast all their votes in favour of the resolutions to be proposed at the Annual General Meeting.

7. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the head office and principal place of business of the Company in Hong Kong at 12th Floor, Railway Plaza, 39 Chatham Road South, Tsimshatsui, Kowloon, Hong Kong during normal business hours on any business day up to and including Monday, 9 December 2002 and at the Annual General Meeting:

- (i) the memorandum of association and Bye-laws of the Company; and
- (ii) the Share Option Scheme.

Yours faithfully
For and on behalf of
Asia Aluminum Holdings Limited
Kwong Wui Chun
Chairman

This appendix serves an explanatory statement, as required by the Listing Rules, to provide information to you in relation to the proposed mandate to repurchase Securities.

General

The Directors have no present intention to repurchase any Shares or Warrants but consider that the mandate will provide the Company the flexibility to make such repurchases when appropriate and beneficial to the Company. Such repurchases may enhance the net asset value of the Company and/or earnings per Share. As compared with the financial position of the Company as at 30 June 2002 (being the date of its latest audited accounts), the Directors consider that there will highly likely be a material adverse impact on the working capital and on the gearing position of the Company in the event that the proposed purchases were to be carried out in full during the proposed purchase period. No repurchase would be made in circumstances that would have a material adverse impact on the working capital or gearing ratio of the Company.

Power to Repurchase

The Company is empowered by its Memorandum of Association to purchase the Shares. Under Bermuda law, the amount of capital repaid in connection with a Share repurchase may only be paid out of from either the capital paid up on the relevant Shares, or out of the funds of the Company that would otherwise be available for dividend or distribution or the proceeds of a new issue of Shares made for such purpose. The amount of premium payable on repurchase may only be paid out of either the funds of the Company that would otherwise be available for dividend or distribution or out of the share premium account of the Company. Under Bermuda law, the Shares so repurchased will be treated as cancelled and the Company's issued, but not its authorised, capital will be diminished accordingly.

Subject to and in accordance with the terms and conditions of the instrument constituting the Warrants, the Company is empowered to purchase the Warrants. Any Warrants so purchased by the Company shall be cancelled forthwith.

Directors, their Associates and Connected Persons

None of the Directors nor, to the best of the knowledge and belief of the Directors, having made all reasonable enquiries, any of their respective associates (as defined in the Listing Rules) has any present intention, in the event that the proposal is approved by Shareholders, to sell Shares or Warrants to the Company.

No connected person (as defined in the Listing Rules) of the Company has notified the Company that he/she has a present intention to sell Shares or Warrants to the Company nor has undertaken not to sell any of the Shares or Warrants held by him/her to the Company in the event the Company makes repurchases of Securities.

Undertaking of the Directors

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases pursuant to the proposed resolution in accordance with the Listing Rules and all applicable laws of Bermuda, and in accordance with the Memorandum of Association and Bye-laws of the Company.

Effect of Takeovers Code

If on the exercise of the powers to repurchase Shares pursuant to the proposed resolution, 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 Rule 32 of the Takeovers Code. As a result, 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 Rules 26 and 32 of the Takeovers Code.

At the Latest Practicable Date, to the best of the knowledge and belief of the Directors, the following persons were the only substantial Shareholders (as defined in the Listing Rules) beneficially holding 10 per cent. or more of the issued share capital of the Company:

Name	Number of Shares	Percentage
Viewlink Assets Limited	826,020,000*	34.74%
Kwong Wui Chun	1,019,613,488	42.88%

* Mr. Kwong Wui Chun is deemed to be interested in these 826,020,000 Shares as he is the beneficial owner of Viewlink Assets Limited. Accordingly the number of Shares held by Mr. Kwong include those 826,020,000 Shares.

In the event that the Directors exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the resolution, the shareholding of the substantial shareholders (as defined in the Listing Rules) of the Company would be as follows:

Name	Shareholding Percentage before Repurchase	Shareholding Percentage after Repurchase
Viewlink Assets Limited	34.74%	38.60%
Kwong Wui Chun	42.88%	47.64%

As a result, Mr. Kwong Wui Chun, together with Viewlink Assets Limited, may become obliged to make a general offer in accordance with Rule 26 of the Takeovers Code. However, the Directors do not have intention to exercise the Repurchase Mandate to such an extent that will result in a requirement of the substantial shareholders referred to above to make a general offer under the Takeovers Code. The Directors are not aware of any other consequences which may arise under the Takeovers Code as a result of any repurchase made under the proposed Repurchase Mandate.

Share Capital

Based on the 2,377,726,484 Shares in issue and the Warrants to subscribe up to HK\$177,476,289.76 for Shares outstanding as at the Latest Practicable Date and assuming that no further Shares are issued or Warrants are exercised from the Latest Practicable Date to the date of the Annual General Meeting, exercise in full of the general mandate to repurchase Securities will result in 237,772,648 Shares and Warrants to subscribe up to HK\$17,747,628.97 for Shares being repurchased.

No purchases of Shares or Warrants have been made by the Company during the last six months (whether on the Stock Exchange or otherwise) before the Latest Practicable Date. In each of the previous twelve months before the Latest Practicable Date, the highest and the lowest traded prices for Shares, 2002 Warrants and Warrants on the Stock Exchange were as follows:

	Shares		2002 Warrants*		Warrants**	
	Highest	Lowest	Highest	Lowest	Highest	Lowest
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
October 2001	0.550	0.410	–#	–#	N/A	N/A
November 2001	0.630	0.520	0.126	0.022	N/A	N/A
December 2001	0.590	0.465	0.120	0.060	N/A	N/A
January 2002	0.620	0.475	0.058	0.030	N/A	N/A
February 2002	0.610	0.550	0.030	0.030	N/A	N/A
March 2002	0.740	0.570	0.033	0.010	N/A	N/A
April 2002	0.870	0.660	N/A	N/A	0.244	0.150
May 2002	0.930	0.750	N/A	N/A	0.260	0.159
June 2002	0.880	0.690	N/A	N/A	0.230	0.160
July 2002	0.800	0.690	N/A	N/A	0.186	0.120
August 2002	0.750	0.650	N/A	N/A	0.130	0.105
September 2002	0.700	0.510	N/A	N/A	0.105	0.070

There were no transactions during the month.

* The last trading date for the 2002 Warrants was 14 March 2002.

** Dealing in the Warrants commenced on 12 April 2002.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of the shareholders of Asia Aluminum Holdings Limited (the “Company”) will be held at 12th Floor, Railway Plaza, 39 Chatham Road South, Tsimshatsui, Kowloon, Hong Kong on Monday, 9 December 2002 at 11:00 a.m. for the following purposes:

1. To receive and consider the audited financial statements and the reports of the directors and auditors of the Company for the year ended 30 June 2002.
2. To declare the payment of a final dividend for the year ended 30 June 2002.
3. To re-elect the retiring directors and authorise the board of directors of the Company to fix the directors’ remuneration.
4. To re-appoint auditors and to authorise the board of directors to fix their remuneration.

As special business, to consider and, if thought fit, passing the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

5. “**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the shares of HK\$0.10 each (“Shares”) in the share capital of the Company to be issued pursuant to the exercise of options which may be granted under the New Scheme Limit (as defined below), the refreshment of the scheme limit of the Company’s share option scheme adopted on 7 December 2001 up to 10 per cent of the number of Shares in issue as at the date of passing this resolution (“New Scheme Limit”) be and is hereby approved and any director of the Company be and is hereby authorised to do all such acts and execute all such documents to effect the New Scheme Limit.”
6. (1) “**THAT**
 - (a) the exercise by the directors of the Company (“Directors”) during the Relevant Period (as defined in paragraph (c) of this Resolution) of all powers of the Company to purchase its shares and warrants, subject to paragraph (b) below and in accordance with all applicable laws and regulations, be and it is hereby generally and unconditionally approved;
 - (b) the aggregate nominal amount of shares and warrants in the Company to be purchased by the Company during the Relevant Period pursuant to the approval in paragraph (a) above shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company and 10 per cent. of all outstanding warrants of the Company as at the date of this Resolution, and the said approval shall be limited accordingly; and
 - (c) for the purposes 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 passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors under this Resolution; and

NOTICE OF ANNUAL GENERAL MEETING

(iii) 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 laws of Bermuda to be held.”

(2) **“THAT**

- (a) subject to paragraph (c) below, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as defined in paragraph (d) of this Resolution) of all the powers of the Company to allot, issue and deal with unissued shares in the share capital of the Company 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 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 would or 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) and issued by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (d) of this Resolution); (ii) any share option scheme or similar arrangement for the time being adopted for the grant to employees of the Company and/or any of its subsidiaries or other approved participants of rights to acquire shares of the Company; (iii) an issue of shares as scrip dividends or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Bye-laws of the Company; and (iv) an issue of shares of the Company upon the exercise of the subscription rights attaching to the existing warrants and convertible bonds issued by the Company and from time to time outstanding, shall not in total exceed 20 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of this Resolution, and the said approval shall be limited accordingly; and
- (d) for the purposes 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 passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors under this Resolution; and
- (iii) 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 laws of Bermuda to be held.

“Rights Issue” means an offer of shares or issue of options, warrants or other securities giving the right to subscribe for shares, open for a period fixed by

NOTICE OF ANNUAL GENERAL MEETING

the Directors to holders of shares of the Company on the register on a fixed record date in proportion to their then holdings of 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 requirements of, any jurisdiction outside Hong Kong or any recognized regulatory body or any stock exchange outside Hong Kong).”

- (3) “**THAT**, conditional upon the passing of the Resolutions nos. 6(1) and 6(2) as set out in the notice convening this Meeting, the general mandate granted to the directors of the Company (“Directors”) pursuant to the approval granted under Resolution no. 6(2) above and for the time being in force to exercise the power of the Company to allot shares be and is hereby extended by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandate of an amount representing the aggregate nominal amount of shares in the capital of the Company which has been repurchased by the Company pursuant to Resolution no. 6(1), provided that such extended amount shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of this Resolution.”

By Order of the Board
Anita Yee
Company Secretary

Hong Kong, 18 October 2002

*Head Office and principal place
of business in Hong Kong*

12th Floor, Railway Plaza
39 Chatham Road South
Tsimshatsui
Kowloon
Hong Kong

Notes:

- (1) A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote for him. A member who is the holder of two or more shares may appoint more than one proxy. A proxy need not be a member of the Company.
- (2) 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 such power or authority, must be lodged with the head office and principal place of business of the Company in Hong Kong at 12th Floor, Railway Plaza, 39 Chatham Road South, Tsimshatsui, Kowloon, Hong Kong not less than 48 hours before the time fixed for holding the Meeting or any adjournment thereof.
- (3) The register of members of the Company will be closed from Wednesday, 4 December 2002 to Monday, 9 December 2002, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the final dividend, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company’s branch share registrars, Hong Kong Registrars Limited of Shops 1712-1716, 17/F., Hopewell Centre, 183 Queen’s Road East, Hong Kong not later than 4:00 p.m. on Tuesday, 3 December 2002.
- (4) In relation to the proposed resolution no. 6(1) set out above, the Directors wish to state that they will exercise the powers conferred thereby to repurchase shares of the Company in the circumstances which they deem appropriate for the benefit of the shareholders. An explanatory statement containing the information necessary to enable the shareholders to make an informed decision on whether to vote for or against the resolution as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”), will be sent to the members together with the 2002 annual report.
- (5) In relation to the proposed resolution no. 6(2) set out above, approval is being sought from the members as a general mandate under the Listing Rules. The Directors wish to state that they have no immediate plans to issue any new shares of the Company.