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## **ALPHA GENERAL (HOLDINGS) LIMITED**

*(incorporated in Bermuda with limited liability)*

### **PROPOSAL FOR CONSOLIDATION OF SHARES AND CHANGE IN BOARD LOT SIZE**

The board of directors (the “Board”) of Alpha General (Holdings) Limited (the “Company”) proposes that every 20 of the existing issued and unissued shares of HK\$0.01 each (“Shares”) in the share capital of the Company be consolidated (“Share Consolidation”) into one share of HK\$0.20 each (“Consolidated Shares”). The Share Consolidation is conditional. Following the Share Consolidation, the board lot size of trading in the shares of the Company will be changed from the existing 2,000 Shares to 8,000 Consolidated Shares.

### **SHARE CONSOLIDATION AND CHANGE IN BOARD LOT SIZE**

The Board proposes that every 20 of the existing issued and unissued Shares be consolidated into one share of HK\$0.20 each and that following the Share Consolidation, the board lot size of trading in the shares of the Company will be changed from the existing 2,000 Shares to 8,000 Consolidated Shares. The Board is of the view that the Share Consolidation is in the interest of the Company and its shareholders. The Board believes that the Share Consolidation will reduce the number of board lots in the market and, as a result, the transaction costs incurred by the shareholders based on the dollar value of the Consolidated Shares will be lower. The Share Consolidation together with the change in board lot size will place the shares of the Company in a more reasonable board lot value and size. Based on the closing price of HK\$0.018 per Share in the Company as quoted on 3 January 2003, being the latest practicable date prior to the date of this announcement, the monetary value per board lot of shares in the Company before and after the Share Consolidation is HK\$36 (based on the existing board lot size of 2,000 Shares) and HK\$2,880 (based on the new board lot size of 8,000 Consolidated Shares) respectively. The board of directors of the Company noted that the shares in the Company have been traded at prices in the region between HK\$0.015 and HK\$0.044 per Share in the past twelve months in 2002. In view of the low trading price of the shares in the Company and the requirement under paragraph 30 of the Listing Agreement, the board of directors of the Company has decided to put to its shareholders the proposal for the Share Consolidation. The estimated costs for the Share Consolidation are insignificant. The Share Consolidation will not, of itself, alter the underlying assets, business, management or financial position of the Company or the group of companies to which the Company is a member.

As at the date of this announcement, the authorized share capital of the Company is HK\$60,000,000 which is divided into 6,000,000,000 Shares, of which 3,883,318,000 Shares are in issue. Immediately upon completion of the Share Consolidation and on the basis that 3,883,318,000 Shares are in issue, 194,165,900 Consolidated Shares will be in issue pursuant to the Share Consolidation. The Consolidated Shares will rank pari passu in all respects with the Shares in issue prior to the Share Consolidation and the rights attaching to the Consolidated Shares will not be affected by the Share Consolidation.

## **ARRANGEMENT ON ODD LOT TRADING**

In order to alleviate the difficulties arising from the existence of odd lots of the Consolidated Shares as a result of the Share Consolidation and the change of the board lot size from the existing 2,000 Shares to 8,000 Consolidated Shares, arrangements will be made for a broker to stand in the market to purchase and sell odd lots of the Consolidated Shares at the relevant market price per Consolidated Share for the period from Thursday, 13 February 2003 to Thursday, 6 March 2003 (both dates inclusive). Holders of odd lots of the Consolidated Shares who wish to take advantage of this facility either to dispose of their odd lots of the Consolidated Shares or to top up to board lots of 8,000 Consolidated Shares may contact Ms. Fanny Ng of Sun Hung Kai Securities Limited at Suite 1101-1106 One Pacific Place, 88 Queensway, Hong Kong at telephone number 2822 5482 and fax number 2822 5907 as soon as possible from 9:30 a.m. on Thursday, 13 February 2003 to 4:00 p.m. on Thursday, 6 March 2003. Holders of odd lots of the Consolidated Shares should note that the match up of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed.

Following the Share Consolidation, the board lot size of trading in the Shares will be changed from the existing 2,000 Shares to 8,000 Consolidated Shares.

## **FREE EXCHANGE OF CERTIFICATES**

The following arrangement will be implemented upon the Share Consolidation becoming effective:—

- (a) New certificate for the Consolidated Shares will be issued in blue in order to distinguish them from certificates for existing Shares which are yellow in colour.
- (b) Shareholders are urged to exchange their certificates for existing Shares for new certificates for Consolidated Shares as soon as possible on or after 28 January 2003. This may be done free of charge by delivering the certificates for existing Shares to the Company's branch share registrar in Hong Kong, Secretaries Limited at 5th Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong (at G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong with effect from 13 January 2003) before 4:00 p.m. on 11 March 2003. Thereafter, the yellow share certificates for the existing Shares will remain effective as documents of title, on the basis of 20 Shares for 1 Consolidated Share, and may be accepted for exchange only on payment of a prescribed fee for each new certificate for Consolidated Shares. A shareholder will be entitled to aggregate his/her Shares registered in his/her name in order to obtain new certificates for Consolidated Shares in board lot(s) of 8,000 Consolidated Shares.
- (c) If Shareholders are able to lodge their certificates for the existing Shares between 9:00 a.m. to 4:00 p.m. on 28 January 2003, it is expected that new Consolidated Share certificates for the Consolidated Shares will be available for collection on 13 February 2003. If Shareholders lodge their certificates for the existing Shares after 28 January 2003, it is expected that new certificates for Consolidated Shares will be available for collection on or after the 10th business day from the date of submission of the certificates for existing Shares to the Registrar at the above address for exchange. Unless instructed otherwise, new certificates for Consolidated Shares will be issued in board lots of 8,000 Consolidated Shares. Holders of the Consolidated Shares in odd lots (including the case where the number of Consolidated Shares is less than 8,000) may either dispose of or top up their odd lots to a board lot of 8,000 Consolidated Shares by making use of the facility as described in the above section headed "Arrangement on odd lot trading".

## CONDITIONS OF THE SHARE CONSOLIDATION

The Share Consolidation is conditional upon, inter alia:—

- (a) the passing of an ordinary resolution by shareholders of the Company at a special general meeting (the “SGM”) to approve the Share Consolidation; and
- (b) the Listing Committee of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) granting the listing of and permission to deal in the Consolidated Shares.

## EXPECTED TIMETABLE

The expected timetable for the Share Consolidation is as follows:—

SGM circular dispatched on or about .....	10 January 2003
Latest time for lodging form for proxy in respect of SGM .....	10:30 a.m., 25 January 2003
SGM .....	10:30 a.m., 27 January 2003
Effective date for Share Consolidation .....	28 January 2003
Dealing in Consolidated Shares commences .....	9:30 a.m., 28 January 2003
Existing counter for trading in existing Shares in board lots of 2,000 Shares temporarily closes .....	9:30 a.m., on 28 January 2003
Temporary counter for trading in Consolidated Shares in board lots of 100 Consolidated Shares (in the form of existing Share certificates) opens .....	9:30 a.m., on 28 January 2003
First day of free exchange of certificates for existing Shares for new certificates for the Consolidated Shares .....	28 January 2003
Existing counter for trading in Consolidated Shares in board lots of 8,000 Consolidated Shares (in the form of new certificates for the Consolidated Shares) opens .....	9:30 a.m. on 13 February 2003
Parallel trading in Consolidated Shares (in the form of new certificates for the Consolidated Shares) commences .....	9:30 a.m. 13 February 2003
Matching services commence .....	9:30 a.m. 13 February 2003
Temporary counter of trading in Consolidated Shares in board lots of 100 Consolidated Shares (in the form of certificates for existing Shares) closes .....	4:00 p.m. 6 March 2003
Parallel trading in Consolidated Shares (in the form of new certificates for existing Shares) ends .....	4:00 p.m. 6 March 2003
Matching services end .....	4:00 p.m. 6 March 2003
Last day for free exchange of certificates for existing Shares for new certificates for Consolidated Shares .....	11 March 2003

## **GENERAL**

An application will be made to the Stock Exchange for the listing of and permission to deal in the Consolidated Shares.

A circular containing, among other things, details of the trading arrangements in respect of the Consolidated Shares and a notice convening the SGM will be dispatched to shareholders of the Company as soon as possible.

For and on behalf of the Board  
**Alpha General (Holdings) Limited**  
**Chu Ka Lok, Peter**  
*Chairman*

Hong Kong SAR, 6 January 2003

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