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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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

**If you have sold** or transferred all your shares in ALPHA GENERAL (HOLDINGS) LIMITED, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The Stock Exchange of Hong Kong Limited and the Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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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**

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A letter from the Board is set out below in the section headed "Letter from the Board" of this circular.

A notice convening a special general meeting of Alpha General (Holdings) Limited to be held at 10:30 a.m. on Monday, 27 January 2003 at Room 1503, Dominion Centre, 43-59 Queen's Road East, Wanchai, Hong Kong is set out below in the last section headed "Notice of Special General Meeting" of this circular. A form of proxy for use at the special general meeting is enclosed with this circular. Whether or not you intend to attend the meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible to the Company's principal place of business in Hong Kong at 15th Floor, Dominion Centre, 43-59 Queen's Road East, Wanchai, Hong Kong and in any event not less than 48 hours before the time appointed for the holding of the meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjourned meeting should you so desire.

10 January 2003

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## DEFINITIONS

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*In this circular, the following expressions shall have the meanings respectively set out below unless the context requires otherwise:*

“Board”	the board of Directors
“CCASS”	the Central Clearing and Settlement System established and operated by Hongkong Clearing
“Company”	Alpha General (Holdings) Limited, an exempted company incorporated in Bermuda with limited liability, the securities of which are listed on the Stock Exchange
“Conditions”	the conditions of the Share Consolidation set out in the section headed “Conditions of the Share Consolidation” in the letter from the Board
“Consolidated Shares”	ordinary share(s) of HK\$0.20 each in the share capital of the Company created upon the Share Consolidation becoming effective
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hongkong Clearing”	Hong Kong Securities Clearing Company Limited
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Registrar”	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)
“Shares”	ordinary share(s) of HK\$0.01 each in the capital of the Company before the Share Consolidation

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## DEFINITIONS

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“Shareholder(s)”	holder(s) of Shares or Consolidated Shares
“Share Consolidation”	the proposed consolidation of 20 issued and unissued Shares into one Consolidated Share referred to herein
“Special General Meeting”	the special general meeting of the Company to be held at 10:30 a.m. on Monday, 27 January 2003, the notice of which is set out in the last section headed “Notice of Special General Meeting” of this circular
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“\$” and “cents”	Hong Kong dollars and cents respectively

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## EXPECTED TIMETABLE

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Latest time for lodging forms of proxy for the Special General Meeting .....	10:30 a.m. on Saturday, 25 January 2003
Special General Meeting .....	10:30 a.m. on Monday, 27 January 2003
Effective date of Share Consolidation .....	Tuesday, 28 January 2003
Dealing in Consolidated Shares commences .....	9:30 a.m. on Tuesday, 28 January 2003
Existing counter for trading in existing Shares in board lots of 2,000 Shares temporarily closes .....	9:30 a.m. on Tuesday, 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 Tuesday, 28 January 2003
First day of free exchange of certificates for existing Shares for new certificates for the Consolidated Shares .....	Tuesday, 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) reopens .....	9:30 a.m. on Thursday, 13 February 2003
Parallel trading in Consolidated Shares (in the form of new certificates for the Consolidated Shares and existing Shares) commences .....	9:30 a.m. on Thursday, 13 February 2003
Matching services commence .....	9:30 a.m. on Thursday, 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. on Thursday, 6 March 2003
Parallel trading in Consolidated Shares (in the form of new certificates for Consolidated Shares and existing Shares) ends .....	4:00 p.m. on Thursday, 6 March 2003
Matching services end .....	4:00 p.m. on Thursday, 6 March 2003
Last day for free exchange of certificates for existing Shares for new certificates for Consolidated Shares .....	4:00 p.m. on Tuesday, 11 March 2003

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## LETTER FROM THE BOARD

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

*(incorporated in Bermuda with limited liability)*

*Directors:*

Mr. Chu Ka Lok, Peter (*Chairman and President*)  
Mr. Wat Hon Keung (*Vice President*)  
Mr. Chan Kai Kwok  
Ms. Chu Maria Teresa

*Registered Office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Independent non-executive Directors:*

Mr. Chan Chi Keung, Chris  
Dr. Wu Shu Chih, Alex

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

Room 1503, Dominion Centre,  
43-59 Queen's Road East, Hong  
Kong

10 January 2003

*To the Shareholders*

Dear Sir or Madam,

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

#### **INTRODUCTION**

The Board announced on 6 January 2003 a proposal for Share Consolidation and a change in board lot size of the shares of the Company. The purpose of this circular is to provide further details regarding such proposal and the recommendation of the Board.

#### **SHARE CONSOLIDATION**

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 2000 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

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## LETTER FROM THE BOARD

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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 the 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.

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## LETTER FROM THE BOARD

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### 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 granting the listing of and permission to deal in the Consolidated Shares.

An application has been made to the Listing Committee of the Stock Exchange for the listing of and permission to deal in such Consolidated Shares.

Subject to the granting of listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, the Consolidated Shares will be accepted as eligible securities by Hongkong Clearing for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by Hongkong Clearing. Settlement of transactions between members of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

### TRADING ARRANGEMENTS FOR THE CONSOLIDATED SHARES

The Shares are listed and dealt in on the Stock Exchange. No part of the Company’s securities are listed or dealt in on any other stock exchange, nor is listing or permission to deal in on any other stock exchange being or proposed to be sought. Dealings in the Consolidated Shares will be subject to Hong Kong stamp duty.

#### 1. Dealings

Subject to the Share Consolidation becoming unconditional, the arrangements proposed for dealings in the Consolidated Shares are expected to be as follows:—

- (a) From 28 January 2003, the present counter for trading in the Shares in board lots of 2,000 Shares will be closed temporarily and a temporary counter for trading in the Consolidated Shares in board lots of 100 Consolidated Shares will be set up. Accordingly, one Consolidated Share will be deemed to represent twenty Shares. Certificates for existing Shares may only be traded at the temporary counter.



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## LETTER FROM THE BOARD

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- (b) With effect from 13 February 2003, the present counter for trading in the Shares will be reopened for trading in Consolidated Shares in board lots of 8,000 Consolidated Shares.
- (c) During the period from 13 February 2003 to 6 March 2003 (both days inclusive), there will be parallel trading at the above two counters.
- (d) With effect from 9:30 a.m. on 7 March 2003, trading will only be in the Consolidated Shares in board lots of 8,000 Consolidated Shares and the temporary counter for trading in the Consolidated Shares in board lots of 100 Consolidated Shares will be removed. Dealings in the Consolidated Share represented by certificates for existing Shares will cease after the close of trading on 6 March 2003.

Certificates for existing Shares will only be valid for delivery and settlement in respect of dealings for the period up to 6 March 2003 and thereafter will not be accepted for dealing purposes. However, the certificates for existing Shares will continue to be good evidence of legal title to the Consolidated Shares on the basis of twenty Shares for one Consolidated Share and may be exchanged for new certificates for Consolidated Shares at any time. Such Shareholders shall be entitled to tender their certificates for existing Shares in exchange for new certificates for the Consolidated Shares in board lots of 8,000 Consolidated Shares so that their shareholding may be accurately represented by the new certificates for the Consolidated Shares.

### **2. Free exchange of certificates**

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

- (a) New certificate for 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, certificates for existing Shares will 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.

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## LETTER FROM THE BOARD

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- (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”.

### **SPECIAL GENERAL MEETING**

The notice of the Special General Meeting is set out below in the last section headed “Notice of Special General Meeting” of this circular. At the Special General Meeting, an ordinary resolution will be proposed to approve the Share Consolidation.

A form of proxy for use at the Special General Meeting of the Company to be held at Room 1503, Dominion Centre, 43-59 Queen’s Road East, Wanchai, Hong Kong at 10:30 a.m. on Monday, 27 January 2003 is enclosed. Whether or not you intend to attend the meeting, you are requested to complete and return the form of proxy to the Company’s principal place of business in Hong Kong at 15th Floor, Dominion Centre, 43-59 Queen’s Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for the holding of the meeting. Completion and return of the form or proxy will not preclude you from attending and voting in person at the Special General Meeting or at any adjourned meeting should you so wish.

### **RESPONSIBILITY STATEMENT**

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. 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.

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## LETTER FROM THE BOARD

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### GENERAL

The English text of this circular and form of proxy shall prevail over the Chinese text.

### RECOMMENDATION

The Directors are of the opinion that the Share Consolidation is in the interests of the Company and its Shareholder and recommend that Shareholders vote in favour of the resolution to be proposed at the Special General Meeting.

Yours faithfully,  
By order of the Board  
**Chu Ka Lok, Peter**  
*Chairman*

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## NOTICE OF SPECIAL GENERAL MEETING

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

*(incorporated in Bermuda with limited liability)*

**NOTICE** is hereby given that a special general meeting of Alpha General (Holdings) Limited (the “Company”) will be held at Room 1503, Dominion Centre, 43-59 Queen’s Road East, Wanchai, Hong Kong, on Monday, 27 January 2003 at 10:30 a.m. for the purpose of considering and, if thought fit, passing the following resolution:—

#### **ORDINARY RESOLUTION**

“**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 Consolidated Shares (as defined below) and with effect on and from the day after the date of the passing of this resolution:—

- (a) every 20 issued and unissued shares of HK\$0.01 each in the share capital of the Company be consolidated into one share of HK\$0.20 (“Consolidated Share(s)”) in the share capital of the Company;
- (b) all of the Consolidated Shares resulting from such consolidation shall rank *pari passu* in all respects and have the rights and privileges and be subject to the restrictions contained in the Company’s bye-laws; and
- (c) any Director be authorized generally to do all things appropriate to effect and implement any of the foregoing.”

By Order of the Board  
**Alpha General (Holdings) Limited**  
**Chu Ka Lok, Peter**  
*Chairman*

Hong Kong, 10 January 2003

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

15th Floor,  
Dominion Centre,  
43-59 Queen’s Road East,  
Wanchai,  
Hong Kong

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## NOTICE OF SPECIAL GENERAL MEETING

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*Notes:*

1. Any member of the Company entitled to attend and vote at a meeting of the Company or a meeting of the holders of any class of shares in the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a member of the Company. A member may appoint more than one proxy to attend on the same occasion.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing, or if the appointor is a corporation, either under seal, or under the hand of an officer or attorney duly authorized.
3. 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 shall be deposited to the Company's principal place of business in Hong Kong at Room 1503, Dominion Centre, 43-59 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in such instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.
4. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting and in such event, the instrument appointing a proxy shall be deemed to be revoked.