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If you have sold or transferred all your shares in Jinhui Holdings Company Limited, you should at once hand this document and the accompanying 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.

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JINHUI HOLDINGS COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

**PROPOSED SHARE CONSOLIDATION,
GENERAL MANDATES TO ISSUE NEW SHARES
AND TO REPURCHASE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

The notice dated 9 April 2003 convening the annual general meeting of Jinhui Holdings Company Limited to be held at Caine Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Friday, 30 May 2003 at 9:30 a.m. is reproduced on pages 11 to 14 of this document for information only. Whether or not you are able to attend the meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or at any adjourned meeting should you so desire.

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EXPECTED TIMETABLE

2003

Latest time for return of form of proxy in respect of the AGM	9:30 a.m. Wednesday, 28 May
AGM	9:30 a.m. Friday, 30 May
Effective time and date of Share Consolidation	9:30 a.m. Monday, 2 June
Dealings in Consolidated Shares commence	9:30 a.m. Monday, 2 June
Original counter for trading in Existing Shares in existing share certificates in board lots of 2,000 Existing Shares temporarily closes	9:30 a.m. Monday, 2 June
Temporary counter of trading in board lots of 200 Consolidated Shares (in the form of existing share certificates) opens	9:30 a.m. Monday, 2 June
First day of free exchange of existing share certificates for new share certificates for the Consolidated Shares	Monday, 2 June
Designated broker starts to stand in the market to provide matching service for sale and purchase of odd lots of Consolidated Shares	Monday, 2 June
Original counter for trading in Consolidated Shares in board lots of 2,000 Consolidated Shares (only new certificates for the Consolidated Shares can be traded at this counter) reopens	9:30 a.m. Tuesday, 17 June
Parallel trading commences	9:30 a.m. Tuesday, 17 June
Temporary counter of trading in board lots of 200 Consolidated Shares (in the form of existing share certificates) closes	4:00 p.m. Wednesday, 9 July
Parallel trading in Consolidated Shares (in the form of new share certificates for Consolidated Shares and existing share certificates) ends	4:00 p.m. Wednesday, 9 July
Designated broker ceases to stand in the market to provide matching service for sale and purchase of odd lots of Consolidated Shares	4:00 p.m. Wednesday, 9 July
Last day for free exchange of existing share certificates for new certificates for the Consolidated Shares	Monday, 14 July

DEFINITIONS

In this document, unless the context otherwise requires, the following expressions have the following meanings:

“AGM”	the annual general meeting of the Company to be convened at 9:30 a.m. on Friday, 30 May 2003 at Caine Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong
“Board”	the board of directors of the Company
“CCASS”	the Central Clearing and Settlement System, established and operated by HKSCC
“Code”	The Hong Kong Code on Takeovers and Mergers
“Company”	Jinhui Holdings Company Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
“Consolidated Share(s)”	the share(s) of the Company of HK\$1.00 each upon the Share Consolidation becoming effective
“Directors”	the directors of the Company
“Existing Share(s)”	existing ordinary share(s) of HK\$0.10 each in the capital of the Company
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Latest Practicable Date”	16 April 2003, being the latest practicable date prior to the printing of this document for the purpose of ascertaining certain information for inclusion in this document
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Notice”	the notice convening the AGM
“Share(s)”	share(s) of the Company
“Share Consolidation”	the proposed share consolidation of every 10 issued and unissued Existing Shares of HK\$0.10 each in the capital of the Company into 1 Consolidated Share
“Shareholder(s)”	holder(s) of the Existing Share(s) and Consolidated Share(s) upon the Share Consolidation becoming effective
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars

LETTER FROM THE BOARD



JINHUI HOLDINGS COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

Directors:

Ng Siu Fai (*Chairman and Managing Director*)

Ng Kam Wah Thomas

Ng Ki Hung Frankie

Ho Kin Lung

Ho Suk Lin

So Wing Hung Peter *

Cui Jian Hua **

Tsui Che Yin Frank **

Registered office:

26th Floor

Yardley Commercial Building

1-6 Connaught Road West

Hong Kong

* *Non-executive director*

** *Independent non-executive director*

24 April 2003

To the Shareholders

Dear Sir or Madam,

**PROPOSED SHARE CONSOLIDATION,
GENERAL MANDATES TO ISSUE NEW SHARES
AND TO REPURCHASE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

On 9 April 2003, the Company announced that the Board intends to put forward a proposal to approve the Share Consolidation and the Directors intend to seek approvals from the Shareholders for the granting of the general mandates to issue and repurchase the Consolidated Shares. The purpose of this letter is to (a) provide further details regarding such proposals; (b) give Shareholders notice of the AGM at which the necessary resolutions will be proposed to consider and, if thought fit, approve the Share Consolidation and the granting of the general mandates to issue and repurchase the Consolidated Shares.

LETTER FROM THE BOARD

SHARE CONSOLIDATION

The Directors propose to effect the Share Consolidation by consolidating every 10 issued and unissued Existing Shares of HK\$0.10 each in the capital of the Company into 1 Consolidated Share of HK\$1.00 each. As at the Latest Practicable Date, the existing authorised share capital of the Company is HK\$100,000,000 divided into 1,000,000,000 Existing Shares of HK\$0.10 each, of which 526,242,488 Existing Shares have been issued and fully paid. Immediately upon the Share Consolidation and assuming no further Existing Shares will be issued up to the Share Consolidation becoming unconditional, the authorised share capital of the Company will be HK\$100,000,000 comprising of 100,000,000 Consolidated Shares of HK\$1.00 each, of which 52,624,248 Consolidated Shares will be in issue and fully paid. As at the Latest Practicable Date, the Company has no share options, warrants or any other types of securities which are convertible into Existing Shares.

The board lot size will remain unchanged at 2,000 shares each upon the Share Consolidation becoming unconditional.

REASONS OF SHARE CONSOLIDATION

The Directors believe that the Share Consolidation is beneficial to the Company and its shareholders as a whole. It will increase the value of a board lot of the Company's shares resulting in a reduction of overall transaction costs for dealing in the Consolidated Shares. The Directors also believe that the Share Consolidation will attract more interests from investors and enhance the marketability of the Company's shares.

EFFECTS OF SHARE CONSOLIDATION

The Consolidated Shares will rank *pari passu* in all respects with each other and the Share Consolidation will not result in any change in the relative rights of the Shareholders. Fractional entitlements of the Consolidated Shares will be aggregated and sold for the benefit of the Company.

The Directors believe that the Share Consolidation will not have any adverse effect on the underlying assets, business operations, management or financial position of the Group.

CONDITIONS OF SHARE CONSOLIDATION

The Share Consolidation will be conditional upon, *inter alia*:

- (i) the passing of an ordinary resolution by the Shareholders at the AGM to approve the Share Consolidation;
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares; and
- (iii) the approval of relevant regulatory authority, if required.

LETTER FROM THE BOARD

FREE EXCHANGE OF SHARE CERTIFICATES

Subject to the Share Consolidation becoming unconditional, Shareholders are requested to lodge the relevant share certificates with Standard Registrars Limited, the share registrar of the Company in Hong Kong at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong for the exchange of new share certificates for the Consolidated Shares free of charge, during the business hours from Monday, 2 June 2003 to Monday, 14 July 2003 (both dates inclusive). Thereafter, existing share certificates will continue to be good evidence of legal title and may be lodged with Standard Registrars Limited in exchange for the Consolidated Shares at any time at a charge of HK\$2.50 (or such higher amount as may from time to time allowed by the Stock Exchange) for each new share certificate issued for the Consolidated Shares or each existing share certificate submitted whichever number of share certificates is higher.

Unless otherwise instructed, new share certificates will be issued in board lot of 2,000 Consolidated Shares each and the new share certificates for Consolidated Shares will be green in colour to distinguish from the existing share certificates for the Existing Shares which are blue in colour.

LISTING AND DEALINGS

The Company has applied to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares.

Arrangements will be made to enable the Consolidated Shares to be admitted to CCASS. 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 HKSCC 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 HKSCC. Settlement of transactions between participants 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.

Upon the Share Consolidation becoming effective, the arrangement proposed for dealings in the Consolidated Shares are expected to be as follows:

From 2 June 2003, the original counter for trading in the Existing Shares in board lots of 2,000 Existing Shares will be temporary closed. A temporary counter will be established for trading in the Consolidated Shares in board lots of 200 Consolidated Shares. Certificates for Existing Shares may only be traded at this temporary counter.

With effect from 17 June 2003, the original counter for trading in Existing Shares will be reopened for trading in the Consolidated Shares in board lots of 2,000 Consolidated Shares.

From 17 June 2003 to 9 July 2003, both days inclusive, there will be parallel trading at the above two counters.

LETTER FROM THE BOARD

The temporary counter for trading in the Consolidated Shares in board lots of 200 Consolidated Shares will be removed after the close of trading on 9 July 2003. Thereafter, trading will be in Consolidated Shares only and the existing share certificate for Existing Shares will cease to be marketable and will not be acceptable for dealing purpose. However, such share certificates will remain effective as documents of title.

FRACTIONAL ENTITLEMENTS AND ODD LOTS ARRANGEMENTS

The proposed Share Consolidation will not result in any change in the relative rights of the Shareholders, except that any fractions of the Consolidated Shares to which the Shareholders would otherwise be entitled upon the Share Consolidation becoming effective will be aggregated and sold for the benefit of the Company.

In order to alleviate the difficulties arising in trading of odd lots of Consolidated Shares as a result of the Share Consolidation, the Company has appointed UOB Kay Hian (Hong Kong) Limited to stand in the market to provide matching services for the sale and purchase of odd lots of Consolidated Shares on best effort basis during the period from Monday, 2 June 2003 to Wednesday, 9 July 2003 (both dates inclusive). Shareholders who wish to take advantage of this matching facility either to dispose of their odd lots of Consolidated Shares or to top up to board lots of 2,000 Consolidated Shares, may contact Ms. Kitty Y.C. Ho of UOB Kay Hian (Hong Kong) Limited at Room 1501, 15th Floor, AON China Building, 29 Queen's Road Central, Hong Kong, and at telephone number (852) 2840 9692 during the period from Monday, 2 June 2003 to Wednesday, 9 July 2003 (both dates inclusive). Shareholders should note that the match up of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed.

Shareholders are recommended to consult their stockbroker, other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisers if they are in any doubt about the facility described above.

GENERAL MANDATES TO ISSUE AND REPURCHASE CONSOLIDATED SHARES

At the AGM, separate ordinary resolutions will be proposed to seek the approval of the Shareholders to grant to the Directors general mandates to:

- (i) allot and issue, subject to the criteria set out in the Notice, Consolidated Shares up to a maximum of 20% of the aggregate nominal amount of the share capital of the Company in issue immediately following the Share Consolidation and to allot and issue further Consolidated Shares repurchased by the Company pursuant to the repurchase mandate referred to in (ii) below; and
- (ii) repurchase, subject to the criteria set out in the Notice, Consolidated Shares up to a maximum of 10% of the aggregate nominal amount of the share capital of the Company in issue immediately following the Share Consolidation.

A statement explaining the proposed general mandate to repurchase Consolidated Shares is set out in the Explanatory Statement in this document in accordance with the Listing Rules in respect of a repurchase of securities by a company with its primary listing on the Stock Exchange.

LETTER FROM THE BOARD

AGM

The Notice convening the AGM to be held on Friday, 30 May 2003 at 9:30 a.m. at which the above proposals will be considered is reproduced on pages 11 to 14 of this document. At the AGM, resolutions numbered 4 to 7 will be proposed to the Share Consolidation, renew the general mandate for the repurchase of shares and the general mandate to allot, issue and deal with additional shares.

RECOMMENDATIONS

Having considered the reasons set out herein, the Directors consider that the Share Consolidation, the general mandates to repurchase shares and to issue new shares are in the best interests of the Company and Shareholders. Accordingly, the Board recommends that Shareholders should vote in favour of all the relevant resolutions to be proposed at the AGM.

Yours faithfully,
For and on behalf of the Board
Ng Siu Fai
Chairman and Managing Director

This appendix serves as an explanatory statement as required by the Listing Rules to provide the requisite information to you for your consideration of the proposal to permit the granting of the general mandate given to the Directors to repurchase shares of the Company.

GENERAL MANDATE TO ISSUE NEW SHARES

At the AGM, an ordinary resolution will be proposed that the Directors be given a general and unconditional mandate to issue new Consolidated Shares or new Existing Shares (as the case may be) up to 20% of the issued share capital and subject to the criteria in resolution 5 as set out in the Notice.

In addition, the general mandate will continue to be in force until the conclusion of the next annual general meeting of the Company or any earlier date as referred to in paragraph (d) of resolution 5 as set out in the Notice.

GENERAL MANDATE TO REPURCHASE SHARES

At the AGM, an ordinary resolution will be proposed that the Directors be given a general and unconditional mandate to exercise all the powers of the Company to purchase the Consolidated Shares or Existing Shares (as the case may be) subject to the criteria set out in this document. Shareholders should note that the authority relates only to purchases made on the Stock Exchange and otherwise in accordance with the Listing Rules.

In addition, the general mandate will continue to be in force until the conclusion of the next annual general meeting of the Company or any earlier date as referred to in paragraph (c) of resolution 6 as set out in the Notice.

EXERCISE OF THE REPURCHASE MANDATE

Whilst the Directors do not presently intend to repurchase any Consolidated Shares or Existing Shares (as the case may be), they believe that the flexibility afforded by the mandate granted to them would be beneficial to the Company if resolution 6 as set out in the Notice (the “Repurchase Mandate”) is passed.

Subject to the criteria set out in the Notice, it is proposed that the maximum number of Shares which may be repurchased pursuant to the Repurchase Mandate will be 10% of the total nominal amount of the share capital of the Company in issue immediately following the Share Consolidation. Based on 526,242,488 Existing Shares in issue as at the Latest Practicable Date, exercise in full of the Repurchase Mandate could result in up to 5,262,424 Consolidated Shares or 52,624,248 Existing Shares (as the case may be) being repurchased by the Company in the course of the period prior to the next annual general meeting of the Company or such earlier date as referred to in paragraph (c) of resolution 6 as set out in the Notice.

REASONS FOR REPURCHASES

Repurchases will only be made when the Directors believe that such a repurchase will benefit the Company and its shareholders. Such repurchases may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings per share.

FUNDING OF REPURCHASES

Repurchases must be funded out of funds legally available for the purpose in accordance with the articles of association of the Company and the Companies Ordinance (Chapter 32 of the Laws of Hong Kong). Repurchases pursuant to the Repurchase Mandate would be financed entirely from the Company's available cash flow or working capital facilities. Any repurchases will be made out of funds of the Company permitted to be utilised in this connection, including profits otherwise available for distribution.

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in its most recent published audited financial statements as at 31 December 2002) in the event that the Repurchase Mandate is exercised in full. However, 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 which in the opinion of the Directors are from time to time appropriate for the Company.

DISCLOSURE OF INTERESTS

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their associates have any present intention, if the Repurchase Mandate is exercised, to sell any Shares to the Company or its subsidiaries.

No connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell any Shares to the Company or its subsidiaries or have undertaken not to do so if the Repurchase Mandate is exercised.

DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to repurchase Shares in accordance with the Repurchase Mandate and the Listing Rules and the applicable laws of Hong Kong.

SHARES REPURCHASES MADE BY THE COMPANY

No repurchases of Shares (whether on the Stock Exchange or otherwise) have been made by the Company or its subsidiaries during the six months prior to the Latest Practicable Date.

CONSEQUENCES

If as a result of a repurchase of Shares 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 Code. As a result, a shareholder, or group of shareholders acting in concert depending on the level of increase of the shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Code.

To the best of the knowledge and belief of the Company, Fairline Consultants Limited, the controlling shareholder of the Company, holds approximately 57.74% of the issued share capital of the Company as at the Latest Practicable Date. In the event that the Directors should exercise in full power of repurchase the shares which is proposed to be granted pursuant to general mandate on share repurchase, the shareholdings of Fairline Consultants Limited would be increased to approximately 64.16% of the issued share capital of the Company and such increase would not give rise to an obligation to make a mandatory offer under the Code.

MARKET PRICES

During each of the twelve months preceding the Latest Practicable Date, the highest and lowest traded prices for Shares recorded on the Stock Exchange were as follows:

Year	Month	Highest HK\$	Lowest HK\$
2002	April	0.250	0.196
	May	0.205	0.163
	June	0.166	0.150
	July	0.172	0.092
	August	0.129	0.110
	September	0.127	0.119
	October	0.130	0.117
	November	0.117	0.110
	December	0.121	0.110
2003	January	0.131	0.106
	February	0.138	0.122
	March	0.120	0.090

NOTICE OF AGM



JINHUI HOLDINGS COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

NOTICE IS HEREBY GIVEN that the annual general meeting of Jinhui Holdings Company Limited (the “Company”) will be held at Caine Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Friday, 30 May 2003 at 9:30 a.m. for the following purposes:

1. To receive and consider the Financial Statements and the Reports of the Directors and Auditors for the year ended 31 December 2002.
2. To re-elect Directors and fix their remuneration.
3. To re-appoint Messrs. Moores Rowland as Auditors for the ensuing year and authorise the Directors to fix their remuneration.
4. To consider and, if thought fit, to pass, with or without amendments, the following resolution as an Ordinary Resolution:

ORDINARY RESOLUTION

“**THAT:**

conditional upon (i) 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 (ii) the approval of the relevant regulatory authority, if required, becoming effective with effect from 9:30 a.m. on the date falling on the next business day (not being a Saturday) after the date on which this resolution is passed:

- (a) every ten (10) issued and unissued shares of HK\$0.10 each in the capital of the Company be and are hereby consolidated into one (1) share (the “Consolidated Share”) of HK\$1.00 in the capital of the Company (the “Share Consolidation”); and
 - (b) the directors of the Company be and are hereby authorised generally to do all acts and things appropriate to effect and implement the Share Consolidation.”
5. To consider and, if thought fit, to pass, with or without amendments, the following resolution as an Ordinary Resolution:

NOTICE OF AGM

ORDINARY RESOLUTION

“THAT:

- (a) subject to paragraph (c) and pursuant to section 57B of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong), the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which 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 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) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (d) below); (ii) an issue of shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiary companies of shares or rights to acquire shares of the Company; or (iii) the exercise of the subscription or conversion rights attaching to any warrants issued by the Company or any securities which are convertible into ordinary shares of the Company, shall upon the Share Consolidation (as defined in Resolution No. 4 above) becoming unconditional and effective, not exceed 20% of the total nominal amount of the share capital of the Company in issue on the date immediately following the Share Consolidation or, if the Share Consolidation does not become unconditional and effective, not exceed 20% of the total nominal amount of the share capital of the Company in issue on the date of this Resolution and the said approval to the Directors in paragraph (a) above shall be limited accordingly; and
- (d) for the purpose 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 expiration of the period within which the next annual general meeting of the Company is required by the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) to be held; or
- (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders in general meeting; and

NOTICE OF AGM

“Rights Issue” means an offer of shares open for a period fixed by the Directors to the shareholders on the register on a fixed record date in proportion to their shareholdings as at that date (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, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).”

6. To consider and, if thought fit, to pass, with or without amendments, the following resolution as an Ordinary Resolution:

ORDINARY RESOLUTION

“**THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as defined in paragraph (c) below) of all the powers of the Company to repurchase its own shares 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 and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and it is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of share capital repurchased by the Company pursuant to paragraph (a) above shall, upon the Share Consolidation (as defined in Resolution No. 4 above) becoming unconditional and effective, not exceed 10% of the total nominal amount of the share capital of the Company in issue on the date immediately following the Share Consolidation or, if the Share Consolidation does not become unconditional and effective, not exceed 10% of the total nominal amount of the share capital of the Company in issue on the date of this Resolution and the said approval to the Directors in paragraph (a) above shall be limited accordingly; and
- (c) for the purpose 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 expiration of the period within which the next annual general meeting of the Company is required by the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) to be held; or
- (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders in general meeting.”

NOTICE OF AGM

7. To consider and, if thought fit, to pass, with or without amendments, the following resolution as an Ordinary Resolution:

ORDINARY RESOLUTION

“THAT:

conditional upon Resolution No. 6 above being passed, the aggregate nominal amount of the number of shares in the capital of the Company which are repurchased by the Company under the authority granted to the Directors as mentioned in Resolution No. 6 above shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to Resolution No. 5 above, provided that the amount of share capital repurchased by the Company shall, upon the Share Consolidation (as defined in Resolution No. 4 above) becoming unconditional and effective, not exceed 10% of the total nominal amount of the share capital of the Company in issue on the date immediately following the Share Consolidation or, if the Share Consolidation does not become unconditional and effective, not exceed 10% of the total nominal amount of the share capital of the Company in issue on the date of this Resolution.”

8. To transact such other business as may properly be transacted at an annual general meeting.

By Order of the Board
Ho Suk Lin
Company Secretary

Hong Kong, 9 April 2003

Notes:–

1. A member entitled to attend and vote at the above meeting may appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a member of the Company.
2. In order to be valid, 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, must be lodged at the registered office of the Company at 26th Floor, Yardley Commercial Building, 1-6 Connaught Road West, Hong Kong not less than 48 hours before the time appointed for holding the above meeting and any adjourned meeting.
3. The register of members of the Company will be closed from 28 May 2003 to 30 May 2003, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for voting at the meeting, shareholders should ensure that they are registered as members of the Company on 27 May 2003.
4. A circular containing further details on resolutions 4 to 7 above will be sent to members together with the annual report.