

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of KEL Holdings Limited (the “Company”) will be held at 11th Floor, Nanyang Plaza, 57 Hung To Road, Kwun Tong, Kowloon on 24 August, 2001 at 11:00 a.m. for the following purposes:

- (1) To receive and consider the Audited Consolidated Financial Statements and the Reports of the Directors and Auditors of the Company for the year ended 31 March, 2001.
- (2) To re-elect all Directors of the Company.
- (3) To authorize the Board of Directors to fix the remuneration of the Directors.
- (4) To re-appoint Auditors of the Company and to authorize the Board of Directors of the Company to fix their remuneration.
- (5) As special business, to consider and, if thought fit, to pass with or without modifications the following Resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (c) below, the exercise by the Directors of the Company 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 or would require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorize the Directors of the Company during the Relevant Period (as defined in paragraph (d) below) to make or grant offers, agreements and options which might or would require the exercise of such powers 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 of the Company 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 as any scrip dividend or similar arrangement pursuant to the Bye-laws of the Company, or (iii) the exercise of rights of conversion or subscription under the terms of any securities which are convertible into shares of the Company, or (iv) any issue of shares under any share option scheme or similar arrangement of the Company for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares in the capital of the Company, shall not exceed 20 per cent. of the total nominal amount of the share capital of the Company in issue as at the date of the passing of this Resolution and the said approval to the Directors in paragraph (a) above shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

(d) for the purpose of this Resolution:

“Relevant Period” means the period from the time of the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next Annual General Meeting of the Company;
- (ii) the expiration of the period within which the next Annual General Meeting of the Company is required by the Bye-laws of the Company or any applicable law of Bermuda to be held; and
- (iii) the revocation or variation of the authority given under this Resolution by an ordinary Resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company to holders of shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the Directors of the Company 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 recognized regulatory body or any stock exchange in any territory outside Hong Kong applicable to the Company).”

(6) As special business, to consider and, if thought fit, to pass with or without modifications the following Resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (b) below, the exercise by the Directors of the Company 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”) subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares which the Company is authorised to repurchase pursuant to the approval in paragraph (a) above shall not exceed 10 per cent. of the total nominal amount of the share capital of the Company in issue as at the date of the passing of this Resolution and the said approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

(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 expiration of the period within which the next Annual General Meeting of the Company is required by the Bye-laws of the Company or any applicable law of Bermuda to be held; and
- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

(7) As special business, to consider and, if thought fit, pass with or without modifications the following Resolution as an ordinary resolution:

“**THAT** conditional upon Resolutions numbered 5 and 6 set out in the notice convening this meeting being duly passed, the general mandate granted to the Directors of the Company to allot and deal with additional shares pursuant to Resolution numbered 5 set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of share capital of the Company which is repurchased by the Company under the authority granted to the Directors as mentioned in Resolution numbered 6 set out in the notice convening this meeting, provided that the amount of shares repurchased by the Company shall not exceed 10 per cent. of the total nominal amount of the share capital of the Company in issue as at the date of the passing of the said Resolution.”

(8) To determine the minimum and maximum numbers of Directors for the financial year ended 31 March, 2002.

(9) To transact any other business.

By Order of the Board
Ong Chi King
Company Secretary

Hong Kong, 19 July, 2001

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is appointed. A proxy need not be a member of the Company.
2. In order to be valid, the proxy form together with the power of attorney or other authority (if any) under which it is signed or a notary certified copy of such power or authority must be deposited at the Company's Hong Kong branch registrars, Tengis Limited, at 4th Floor, Hutchison House, 10 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjourned meeting thereof.
3. With reference to the Resolution numbered 5 set out in this notice, the Directors of the Company wish to state that they have no immediate plans to issue any new shares of the Company other than the shares that may be issued as a result of the exercise of the subscription rights attaching to the options which may be granted under the share option scheme adopted by the Company on 4 April 1997.
4. An explanatory statement containing further details regarding Ordinary Resolution numbered 6 above will be sent to the members together with the Annual Report of the Company.
5. The Register of Members will be closed from 21 August, 2001 to 24 August, 2001, both days inclusive, during which period no transfer of shares will be effected. All transfers accompanied by the relevant share certificates must be lodged with Company's Hong Kong branch share registrars, Tengis Limited, of 4th Floor, Hutchison House, 10 Harcourt Road, Hong Kong not later than 4:00 p.m. on 20 August, 2001.