

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Pacific Andes International Holdings Limited (the "Company") will be held at the Dynasty Club, 7/F., South West Tower, Convention Plaza, Wanchai, Hong Kong, on Tuesday, 11 September 2001 at 2:30 p.m. for the following purposes:-

Ordinary Business

1. To receive and consider the audited consolidated financial statements and the directors' report and auditors' report for the year ended 31 March 2001.
2. To declare of final dividend for the year ended 31 March 2001.
3. To re-elect directors and to authorise the board of directors to fix their remuneration.
4. To re-appoint the auditors of the Company and to authorise the board of directors to fix their remuneration.

Special Business

5. To consider and, if thought fit, pass the following resolutions as ordinary resolutions:-

(A) "THAT:

- (i) subject to sub-paragraph (ii) of this resolution, the exercise by the directors of the Company during the Relevant Period 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 require or might require the exercise of such powers either during or after the Relevant Period, be and is hereby generally and unconditionally approved;
- (ii) the aggregate nominal amount of share capital allotted or issued or agreed conditionally or unconditionally to be allotted or issued (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in sub-paragraph (i) of this resolution, otherwise than pursuant to a Rights Issue, or the exercise of subscription or conversion rights under any warrants of the Company or any securities which are convertible into shares of the Company, or any option scheme or similar arrangement for the time being adopted for the grant or issue to employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares in the Company, or any scrip dividend scheme or similar arrangement providing for the allotment of shares of the Company in lieu of the whole or any part of a dividend of such shares in accordance with the bye-laws of the Company, shall not exceed twenty per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of this resolution, and the said approval shall be limited accordingly;

(iii) for the purposes of this resolution:

"Relevant Period" means the period from the passing of this resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) 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 to be held; and
- (c) the date upon which the authority set out in this resolution is revoked or varied by an ordinary resolution of the Company in general meeting; and

"Rights Issue" means an offer of shares open for a period fixed by the directors of the Company to holders of shares of the Company on the Register of Members on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the directors of the Company may in their discretion deem necessary or expedient in relation to fractional entitlements or having regard to any restriction or obligations under the laws of any relevant jurisdiction or the requirements of any recognised regulatory body or any stock exchange)."

(B) "THAT:

- (i) subject to sub-paragraph (ii) of this resolution, the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to repurchase issued shares in the capital of the Company and to make or grant offers, agreements and options which require or might require the exercise of such powers either during or after the Relevant Period, subject to and in accordance with all applicable laws and regulations and the bye-laws of the Company, be and is hereby generally and unconditionally approved;
- (ii) the aggregate nominal amount of the share capital which the Company is authorised to repurchase pursuant to the approval in sub-paragraph (i) of this resolution shall not exceed ten per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution and the said approval shall be limited accordingly; and
- (iii) for the purposes of this resolution:

"Relevant Period" means the period from the passing of this resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) 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 to be held; and

- (c) the date upon which the authority set out in this resolution is revoked or varied by an ordinary resolution of the Company in general meeting."
- (C) "THAT conditional upon resolution no. 5(A) and resolution no. 5(B) above being passed, the aggregate nominal amount of the shares in the capital of the Company which are repurchased by the Company under the authority granted to the directors of the Company as mentioned in resolution no. 5(B) above shall be added to the aggregate nominal amount of share capital that may be allotted or issued or agreed conditionally or unconditionally to be allotted or issued by the directors of the Company pursuant to resolution no. 5(A) above, provided that such amount so added shall not exceed ten per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of passing of this resolution."

By Order of the Board
Cheng Nai Ming
Company Secretary

Hong Kong, 23 July 2001

Notes:

- (i) A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint a proxy in respect of the whole or any part of his holding of shares to attend and vote in his stead. A proxy need not be a member of the Company.
- (ii) A form of proxy for the meeting is enclosed with this Annual Report. In order to be valid, the form of proxy must be deposited at the Hong Kong Principal Office of the Company at Rooms 3201-12 & 15 Hong Kong Plaza, 188 Connaught Road West, Hong Kong together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or other authority not less than 48 hours before the time for holding the meeting or adjourned meeting (as the case may be).
- (iii) An explanatory statement containing further details regarding resolution 5 is enclosed with this Annual Report.
- (iv) The Register of Members will be closed from Wednesday, 5 September 2001 to Monday, 11 September 2001, both days inclusive, during which period no transfer of shares can be registered.