

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT an Annual General Meeting of Shareholders of Welback Holdings Limited (the "Company") will be held at the Tang Room, 3rd Floor, Sheraton Hong Kong Hotel & Towers, 20 Nathan Road, Tsimshatsui, Kowloon, Hong Kong on Friday, 23 November, 2001 at 9:30 a.m. for the following purposes:

Ordinary Business

1. To receive and consider the Audited Financial Statements and the Reports of the Directors and of the Auditors for the year ended 30 June, 2001.
2. To re-elect Directors and to authorise the Board of Directors to fix Directors' remuneration and appoint additional Directors.
3. To re-appoint Auditors and to authorise the Directors to fix the Auditors' remuneration.

Special Business

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

"THAT:

- (a) subject to paragraph (c), 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 require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period (as defined in paragraph (d) below);
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company pursuant to the approval in paragraph (a), otherwise than pursuant to a Rights Issue (as defined in paragraph (d) below) or the exercise of the subscription rights under the share option scheme of the Company or any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the bye-laws of the Company, shall not exceed 20 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date of this resolution and the said approval in paragraph (a) shall be limited accordingly; and
- (d) for the purposes of this resolution:

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

- (i) the conclusion of the next Annual General Meeting of the Company; or
- (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 Bermuda law to be held; or

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- (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; and

“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 shareholdings (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 recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

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

“THAT:

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as defined in paragraph (c) below) of all the powers of the Company to purchase its own shares, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company purchased by the Company pursuant to paragraph (a) during the Relevant Period (as defined in paragraph (c) below) shall not exceed 10 per cent of the aggregate nominal amount of the issued share capital of the Company as at the date of this resolution, and the said approval in paragraph (a) shall be limited accordingly; and
- (c) for the purposes of this resolution:

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

- (i) the conclusion of the next Annual General Meeting of the Company; or
- (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 Bermuda law to be held; or
- (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.”

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

“THAT the general mandate granted to the Directors to issue, allot and deal with additional shares pursuant to the Ordinary Resolution set out in item 4 of this notice be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to the Ordinary Resolution set out in item 5 of this notice, provided that such amount shall not exceed 10 per cent of the aggregate nominal amount of the issued share capital of the Company as at the date of this resolution.”

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

“THAT, conditional upon (a) the Listing of Committee of The Stock Exchange of Hong Kong Limited granting approval of the share option scheme (the “Share Option Scheme”) (a copy of which has been produced to the meeting and marked “A” and signed by the Chairman of the meeting for the purpose of identification) and any options which may be granted thereunder (the “Options”) and the listing of, and permission to deal in, any shares of the Company which may be issued pursuant to the exercise of the Options; and (b) the obtaining of any necessary approval in connection with the Share Option Scheme pursuant to the applicable laws or the Listing Rules (if any), the Share Option Scheme proposed to be adopted by the Company be and is hereby approved.”

By Order of the Board
Lee Chun Kwok
Chairman

Hong Kong, 28 September, 2001

Notes:

- (1) The Register of Members of the Company will be closed from Monday, 19 November, 2001 to Friday, 23 November, 2001 (both days inclusive), during which period no transfer of shares will be registered.
- (2) A member of the Company who is the holder of two or more shares, entitled to attend and vote at the Meeting is entitled to appoint more than one proxy to attend and vote on his behalf. A proxy need not be a member. 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 so appointed.
- (3) To be valid, the instrument appointing a proxy together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the Company's principal place of business at Unit B, on the 14th Floor, Waylee Industrial Centre, Block 1, 30-38 Tsuen King Circuit, Tsuen Wan, New Territories, Hong Kong not less than 48 hours before the time appointed for holding the above meeting.
- (4) An explanatory statement containing further details regarding Resolutions 4 to 6 above will be sent to Members shortly together with the 2001 Annual Report.
- (5) A Circular containing, inter alia, further details of the Share Option Scheme as referred in Resolution 7 will be despatched to Members shortly together with the 2001 Annual Report.