

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 2001 Annual General Meeting of Shareholders of Tongda Group Holdings Limited (the “Company”) will be held at Room 1201-03, 12th Floor, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong on Monday, 10 June 2002 at 9:30 a.m. for the following purposes:

1. To receive and consider the Audited Consolidated Financial Statements and the Reports of the Directors and of the Auditors of the Company for the year ended 31 December 2001;
2. To re-elect Directors and to authorise the Board of Directors to fix their remuneration;
3. To re-appoint Auditors and to authorise the Board of Directors to fix their remuneration;

AS SPECIAL BUSINESS

4. To consider and, if thought fit, pass, with or without amendments, the following resolutions as ordinary resolutions:

(A) **“THAT:**

- (a) subject to paragraph (c) of this Resolution, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with unissued share(s) of HK\$0.01 each in the capital of the Company and to make or grant offers, agreements and options (including warrants) which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this Resolution shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options (including warrants) which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal value of share capital to be allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and to be issued by the Directors of the Company pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined), or (ii) an issue of shares upon the exercise of the subscription rights attaching to any warrants which may be issued by the Company from time to time, or (iii) an issue of shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to employees (including Executive Directors) of the Company and/or any of its subsidiaries of shares or rights to

Notice of Annual General Meeting

acquire shares in the capital of the Company, or (iv) any scrip dividend scheme or similar arrangement providing for the allotment and issue of shares in lieu of the whole or part of a dividend on shares in accordance with the Articles of Association of the Company, shall not the aggregate of (i) 20% of the aggregate nominal value of the share capital of the Company in issue on the date of passing this Resolution and (ii) (if the directors of the Company are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal value of any share capital of the Company repurchased by the Company subsequent to the passing of this Resolution (up to a maximum equivalent to 10 per cent. of the aggregate nominal value 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

(d) for the purpose 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 Articles of Association of the Company or the Companies Law of the Cayman Islands or any other applicable laws of the Cayman Islands to be held; or
- (iii) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking or varying the authority given to the Directors of the Company by this Resolution; and

“Rights Issue” means an offer of shares or issue of options to subscribe for shares of the Company open for a period fixed by the Directors of the Company to holders of shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion 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 applicable to the Company).”

Notice of Annual General Meeting

- (B) **“THAT:**
- (a) subject to paragraph (b) and (c) of this Resolution, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all powers of the Company to purchase securities of the Company on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) or on any other stock exchange on which the securities of the Company may be listed and is 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 is hereby generally and unconditionally approved;
 - (b) the aggregate nominal value of shares of the Company to be repurchased by the Company pursuant to paragraph (a) of this Resolution during the Relevant Period shall not exceed 10% of the aggregate nominal value of the share capital of the Company in issue as at the date of passing this Resolution, and the authority pursuant to paragraph (a) of this Resolution 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 Articles of Association of the Company or the Companies Law of the Cayman Islands or any other applicable laws of the Cayman Islands to be held; or
 - (iii) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking or varying the authority given to the Directors of the Company by this Resolution.”
- (C) **“THAT** conditional upon Resolution Nos. 4(A) and 4(B) as set out in the notice convening this meeting being passed, the general mandate granted to the Directors of the Company and for the time being in force to exercise the powers of the Company to allot, issue and deal with unissued shares pursuant to Resolution No. 4(A) as set out in the notice convening this meeting be and is hereby extended by the addition to the aggregate nominal value of the share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company pursuant to such general mandate of an amount representing the aggregate nominal

Notice of Annual General Meeting

value of the share capital of the Company repurchased by the Company under the authority granted pursuant to Resolution No. 4(B) as set out in the notice convening this meeting, provided that such extended amount shall not exceed 10% of the aggregate nominal value of the share capital of the Company in issue as at the date of passing this Resolution.”

5. **“THAT**, with effect from the close of business of the day on which this resolution is passed, the existing share option scheme (the “Existing Scheme”) adopted by the Company pursuant to an ordinary resolution in writing passed by all shareholders of the Company on 7 December 2000 (a copy of the Existing Scheme having been produced to the meeting marked “A” and signed by the chairman of the meeting for the purposes of identification), be and it is hereby terminated and cease to have with any further effect save and except that the Existing Scheme will remain in force to the extent necessary to give effect to the exercise of the options granted thereunder prior to the termination thereof”.
6. **“THAT**, subject to the passing of resolution numbered 5 and with effect from the close of business of the day on which this resolution is passed, the rules of the share option scheme (the “New Scheme”, the principal terms of which are particularly described in the circular (the “Circular”) to the shareholders of the Company in April or May 2002) (a copy of the New Scheme and the Circular having been produced to the meeting marked “B” and “C”, respectively, and signed by the chairman of the meeting for the purposes of identification), be approved and adopted and the Directors be and they are hereby authorised to approve my amendments to the rules of the New Scheme as may be acceptable or not objected to by the Stock Exchange, and at their absolute discretion to grant options to subscribe for Shares thereunder and to allot, issue and deal with shares of HK\$0.01 each in the Company pursuant to the exercise of options granted under the New Scheme and to take all such steps as may be necessary, desirable or expedient to carry into effect the New Scheme with effect from the close of business of the day on which this resolution is passed”.
7. **“THAT**
 - (A) subject to the passing of resolution numbered 6 and paragraph (B) below, pursuant to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and the terms of the New Scheme (as defined in resolution numbered 6), the exercise by the directors (the “Directors”) of the Company are hereby authorise to grant options under the New Scheme and to allot, issue and otherwise deal with shares (the “Shares”) of HK\$0.01 each in the capital of the Company pursuant to the exercise of option granted under the New Scheme;

Notice of Annual General Meeting

- (B) the aggregate nominal amount of share capital to be allotted and issued pursuant to paragraph (A) above, together with any issue of Shares upon the exercise of any options granted under any other the share option scheme of the Company as may from time to time adopted by the Company, shall not exceed the aggregate of 10 per cent. of the Shares in issue as at the date of the passing of this resolution.”

By Order of the Board of Directors

Ko Chun Hay Kelvin

Company Secretary

Hong Kong, 18 April 2002

Notes:

1. A Member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and, in the event of a poll, to vote on his behalf. A proxy need not be a Member of the Company.
2. 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 branch share registrars in Hong Kong, Hong Kong Registrars Limited, at 2nd Floor, Vicwood Plaza, 199 Des Voeux Road Central, Hong Kong not less than 48 hours before the time appointed for holding the above meeting.
3. An Explanatory Statement regarding Resolution Nos. 4(A), 4(B) and 4(C) above containing the information necessary to enable shareholders to make an informed decision as to whether to vote for or against the resolutions will be set out in a separate document to be despatched to shareholders.
4. Under the Company's articles of association, Messrs Wong Ah Yu, Shi Bi Xi and Wong Kong Hon will retire of their office of Directors upon conclusion of the annual general meeting. The said Directors being eligible offer themselves for re-election.
5. Regarding proposed resolutions 5 to 7 above, a circular containing, among other matters, the background for adoption of the new share option scheme and termination of the existing share option scheme of the Company, and the details of the principal terms of such new scheme will be despatched to shareholders of the Company as soon as practicable.