

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the 2003 Annual General Meeting of 401 Holdings Limited (the "Company") shall be held at 10:00 a.m. on 30 January 2004 at Function Room, Macau Jockey Club, 3rd Floor, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong to transact the following ordinary business:—

1. To receive and consider the audited financial statements and the reports of the directors and auditors for the year ended 31 March 2003.
2. To re-elect directors of the Company ("Directors") and authorise the board of directors ("Board") to fix their remuneration.
3. To re-appoint auditors and authorise the Board to fix their remuneration.

and by way of special business to consider, and if thought fit, pass with or without amendments the following resolutions 4 to 6 (inclusive) as ordinary resolutions of the Company:—

4. **"THAT:—**

- (A) subject to paragraph (C) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with unissued ordinary 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 Directors be and are authorised during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers during or after the end of the Relevant Period;
- (C) the aggregate nominal amount of ordinary 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) and (B) above, otherwise than pursuant to a Rights Issue (as hereinafter defined) or pursuant to the exercise of any option granted under the share option scheme adopted by the Company or an issue of ordinary shares upon the exercise of subscription rights attached to the warrants which might be issued by the Company or an issue of ordinary shares in lieu of the whole or part of a dividend on ordinary shares or any scrip dividend scheme or similar arrangement in accordance with the bye-laws of the Company, shall not exceed 20% of the aggregate nominal amount of the ordinary share capital of the Company in issue as at the date of the passing this resolution; and

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(D) for the purposes of this resolution:—

“Relevant Period” means the period from the time of passing of this resolution until whichever is the earliest 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 memorandum of association and bye-laws of the Company or any applicable laws of Bermuda to be held; and
- (iii) the revocation or variation of the authority given under this resolution by any ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of ordinary shares open for a period fixed by the Directors to holders of ordinary shares on the register of holders of the ordinary shares on a fixed record date in proportion to their then holdings of such ordinary shares (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 any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange).”

5. **“THAT:—**

- (A) subject to paragraph (C) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to (i) repurchase issued ordinary shares in the capital of the Company and (ii) repurchase warrants or other rights to subscribe for ordinary shares in the capital of the Company in each case 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, and that the exercise by the Directors of all powers of the Company to repurchase such securities, subject to and in accordance with all applicable laws, be and is hereby, generally and unconditionally approved;
- (B) the approval in paragraph (A) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to repurchase its ordinary shares and warrants at a price determined by the Directors;
- (C) the aggregate nominal amount of ordinary share capital of the Company repurchased or agreed conditionally or unconditionally to be repurchased by the

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Company pursuant to the approval in paragraph (A) above during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the issued ordinary share capital of the Company as at the date of passing this resolution; and

(D) for the purposes of this resolution:—

“Relevant Period” means the period from the time of passing this resolution until whichever is the earliest 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 memorandum of association and bye-laws of the Company or any applicable laws of Bermuda to be held; and
- (iii) the revocation or variation of the authority given under this resolution by any ordinary resolution of the ordinary shareholders of the Company in general meeting.”

6. **“THAT** conditional upon the passing of the ordinary resolutions numbered 4 and 5 in the notice convening this meeting, the aggregate nominal amount of the ordinary shares in the capital of the Company which shall have been repurchased by the Company pursuant to and in accordance with the said resolution numbered 5 shall be added to the aggregate nominal amount of the ordinary share capital of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to and in accordance with the resolution numbered 4 set out in the notice of this meeting.”

By Order of the Board  
**401 Holdings Limited**  
**Keung Shu Hoi**  
*Company Secretary*

Hong Kong, 22 December 2003

*Notes:—*

1. Any member of the Company entitled to attend and vote at the meeting shall be entitled to appoint another person as his proxy to attend and, on a poll, vote instead of him, A member may appoint more than one proxy to attend on the same occasion, A proxy need not be a member of the Company.
2. A form of proxy for use at the above meeting is enclosed herewith.
3. 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 deposited at the head office and principal place of business of the Company in Hong Kong at Units 2204-5, 22nd Floor, West Tower, Shun Tak Centre, 200 Connaught Road Central, Hong Kong not less than 48 hours before the time for holding the meeting, in default of which the instrument of proxy shall not be treated as valid.