

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting (the "Meeting") of United Metals Holdings Limited (the "Company") will be held at the Concord Room 2-3, 8/F., Renaissance Harbour View Hotel Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on Thursday, 27 May, 2004 at 11:00 a.m. for the following purposes:–

1. To receive and consider the audited consolidated financial statements together with the Reports of the Directors and the Auditors of the Company for the year ended 31 December, 2003.
2. To re-elect Directors and authorize the board of directors (the "Board") to fix the Directors' remuneration.
3. To re-appoint the Auditors and to authorize the Board to fix the Auditors' remuneration.
4. To declare final dividend for the year ended 31 December, 2003.
5. As special business, to consider and, if though fit, pass with or without amendments the following resolutions as Ordinary Resolutions:

5A. **"THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to repurchase shares of the Company on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") or on any other stock exchange on which the shares of the Company may be listed and recognized by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time (the "Listing Rules") be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall be in addition to any other authorizations given to the Directors and shall authorize the Directors during the Relevant Period to procure the Company to repurchase its shares at a price determined by the Directors;
- (c) the aggregate nominal amount of the shares of the Company to be repurchased pursuant to the approval in paragraph (a) above shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date of 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 date of 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 any applicable laws or the Articles of Association of the Company to be held; or
- (iii) the date upon which the authority set out in this resolution is revoked or varied by way of an ordinary resolution of the shareholders of the Company in general meeting.”

5B. **“THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and otherwise deal with additional ordinary shares of the Company or securities convertible into shares, or options, warrants or similar rights to subscribe for any shares and to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers, 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 authorizations given to the Directors and shall authorize the Directors during the Relevant Period to make or grant offers, agreements, options and rights of exchange or conversation which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted, issued or otherwise dealt with or agreed conditionally or unconditionally to be allotted, issued or otherwise dealt with (whether pursuant to an option or otherwise) by the Directors pursuant to the approval granted in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (d) below), or (ii) the exercise of any options granted under the share option scheme or similar arrangement for the time being adopted or to be adopted for the grant or issue to officers and/or employees of the Company and/or its subsidiaries, of options to subscribe for, or rights to acquire shares of the Company approved by the Stock Exchange, or (iii) 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 Articles of Association of the Company, or (iv) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares 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 passing of this resolution, and the said approval shall be limited accordingly; and
- (d) for the purpose of this resolution:

“Relevant Period” shall have the same meaning as ascribed to it under the resolution set out in paragraph 5A(d) of this Notice; and

“Rights Issue” means the allotment, issue or grant of shares or other securities open for a period fixed by the Directors to holders of the shares or any class of shares thereof on the register of members on a fixed record date in proportion to their then holdings of such shares or class thereof (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 recognized regulatory body or any stock exchange in, any territory applicable to the Company).”

5C. **“THAT:**

conditional upon the passing of Resolutions Nos. 5A and 5B, the aggregate nominal amount of the share capital of the Company which shall have been repurchased by the Company under the authority granted to the Directors as mentioned in Resolution No. 5A above (up to a maximum of 10 per cent of the aggregate nominal amount of the share capital of the Company as stated in Resolution No. 5A above) shall be added to the aggregate nominal amount of the share capital that may be allotted, issued or otherwise dealt with, or agreed conditionally and unconditionally to be allotted, issued or otherwise dealt with by the Directors pursuant to Resolution No. 5B above.”

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

“THAT the Articles of Association of the Company be amended in the following manner:

(a) Article 2

- (i) by adding the definition of “associate” immediately after the definition of “these Articles” as follows:

“associates” shall have the meaning ascribed to such term in the Companies Ordinance and the Listing Rules;

- (ii) by deleting the words “section 2 of the Securities and Futures (Clearing Houses) Ordinance of Hong Kong” in the definition of “recognized clearing house” and replacing them with by the words “Part 1 of Schedule 1 of the Securities and Futures Ordinance and any amendments thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor.”

- (iii) by deleting the definition of “subsidiary and holding company” in its entirety and replacing by “shall have the meanings ascribed to such terms in the Companies Ordinance and the Listing Rules.”

(b) Article 76

by adding "or unless a poll is required under the Listing Rules as amended from time to time" after "a poll is duly demanded."

(c) Article 85(c)

by adding the following paragraph under the heading of "Restriction to voting".

"That, where any shareholder is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted."

(d) Article 103(c)

by deleting in its entirety and replacing by the following:

"A director shall not vote (nor be counted in the quorum) on any resolution of the Board approving any contract or arrangement or any other proposal in which he or any of his associates is materially interested but this prohibition shall not apply to any of the following matters, namely:

- (i) the giving of any security or indemnity either:
 - (aa) to the director or his associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries; or
 - (bb) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the director or his associate(s) has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of securities;
- (ii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the director or his associate(s) is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (iii) any proposal concerning any other company in which the director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the director or his associate(s) is/are beneficially interested in shares of that company, provided that the director and any of his associates are not in aggregate beneficially interested in 5 per cent or more of the issued shares of any class of such company (or of any third company through which his interest or that of his associate(s) is derived) or of the voting rights;

- (iv) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:
 - (aa) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which the director or his associate(s) may benefit; or
 - (bb) the adoption, modification or operation of pension fund or retirement, death or disability benefits scheme which relates both to directors, his associate(s) and employees of the Company or any of its subsidiaries and does not provide in respect of any director, or his associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and
 - (v) any contract or arrangement in which the director or his associate(s) is/are interested in the same manner as other holders of shares of debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company."
- (e) Article 103(f)
- by deleting in its entirety.
- (f) Article 116
- by deleting in its entirety and replacing by the following:

"No person other than a Director retiring at the meeting shall, unless recommended by the Board, be eligible for election as Director at any general meeting unless a notice signed by a member of the Company (not being the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given the person to be proposed of his intention to propose such person for election and also a notice signed by of his willingness to be elected shall be lodged at the head office or at the registered office, provided that the minimum length of period, during which such notice(s) are given, shall be at least 7 days and that the period for lodgment of such notice(s) shall commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than 7 days prior to the date of such meeting."

(g) Article 119

by deleting in its entirety and replacing by the following:

“The Board may meet together for the dispatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit in any part of the world and may determine the quorum necessary for the transaction of business. Unless otherwise determined two Directors shall be a quorum. For the purposes of this Article an alternate Director shall be counted in a quorum in place of the Director who appointed him and an alternate Director who is an alternate for more than one Director shall for quorum purposes be counted separately in respect of himself (if he is a Director) and in respect of each Director for whom he is an alternate (but nothing in this provision shall be construed as authorizing a meeting to be constituted when only one person is physically present). A meeting of the Board or any committee of the Board may be held by means of a telephone or tele-conferencing, or any other electronic means provided that all participants are thereby able to communicate each other simultaneously and instantaneously and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting.”

(h) Article 120

by deleting “or telegram” and replacing by adding “telegram or other electronic means” after “telex”.

(i) Article 129

by adding “by facsimile or other electronic means” after “Directors”.

(j) Article 163(a)

by deleting in its entirety and replacing by the following:

“Any notice or document (including a share certificate) may be served by the Company or by the Board on any member either personally or by sending it through the post in a prepaid letter addressed to such member at his registered address as appearing in the register or, in the case of notice by advertisement published in the newspapers or by sending it using electronic means, including but not limited to electronic mail or by making it available for the examination by the member using electronic means, including the posting of such notice or document on websites or web pages provided that if any such notice or document is to be sent or made available to any member by using electronic means, the Company and the Board must first have received from the relevant member a written confirmation that the member wants to receive or to have made available to him such notice or document using the electronic means that the Company and the Board have suggested. In the case of joint holders of the share, all notices shall be given to that holder for the time being one of the joint holders whose name stands first in the register and notice so given shall be sufficient notice to all the joint holders.”

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(k) Article 165(d)

by deleting in its entirety and replacing by the following:

“Any notice or document sent or made available by using electronic means to members who have in writing confirmed their agreement to receive such notice or document through such means shall be deemed to have been served on such members when the notice or document has been sent or made available to them in accordance with the arrangement specified in their written confirmation to the Company. A certificate in writing signed by the Secretary or other person appointed by the Board that the notice or document has been sent or made available in accordance with such arrangement shall be conclusive evidence thereof.”

7. To transact any other business.

By Order of the Board

Thomas Lau, Luen-hung

Chairman

Hong Kong, 8 April, 2004

Notes:

1. Any Shareholder entitled to attend and vote at the Meeting is entitled to appoint one or more separate proxies (who must be an individual or individuals) to attend and vote instead of him. A proxy need not be a Shareholder of the Company. 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 so appointed.
2. The register of members of the Company will be closed from Thursday, 20 May, 2004 to Thursday 27 May, 2004, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for the final dividend which is going to be approved at the Meeting, attending and voting at the Meeting, all properly completed and signed transfer forms accompanied with the relevant share certificates must be lodged with the Company's Hong Kong branch share registrars, Computershare Hong Kong Investor Services Limited, at Rooms 1901-5, 19th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:00 p.m. on Wednesday, 19 May, 2004.
3. To be valid, a form of proxy in the prescribed form 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 office in Hong Kong at Units 901-903, 9th Floor, Laford Centre, 838 Lai Chi Kok Road, Cheung Sha Wan, Kowloon, Hong Kong not less than 48 hours before the time fixed for holding the Meeting or at any adjournment thereof.
4. With respect to the resolution set out in paragraph 5A of the notice, approval is being sought from Shareholders for a general mandate to be given to the Directors to purchase shares of the Company.
5. With respect to the resolutions set out in paragraphs 5B and 5C of the notice, approval is being sought from Shareholders for general mandates to be given to the Directors to allot, issue and deal with shares of the Company in accordance with the Listing Rules of the Stock Exchange.
6. With respect to the resolution set out in paragraph 6, approval is being sought from Shareholders for a general mandate to the Directors to amend the Articles of Association of the Company to comply with the Listing Rules of the Stock Exchange.
7. An explanatory statement containing the information with respect to the resolutions set out in paragraphs 5A to 5C of the notice of the Meeting will be sent to the Shareholders together with the 2003 Annual Report.