



CEC INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of CEC International Holdings Limited (the "Company") will be held at Nova Room, Millennium City Club, Level 6, Tower 1, Millennium City, 388 Kwun Tong Road, Kowloon, Hong Kong, on Friday, 14th September, 2001 at 10:30 a.m. for the following purposes:

1. To receive and adopt the audited accounts of the Company and the Reports of the Directors and the Auditors of the Company for the year ended 30th April, 2001.
- 2A. To re-elect a retiring Director.
- 2B. To approve the payment of a director's fee of HK\$300,000 per annum for each of the non-executive Directors until the conclusion of the next annual general meeting of the Company.
3. To re-appoint Messrs Arthur Andersen & Co as the auditors of the Company and to authorise the Board of Directors to fix their remuneration.
4. To declare a final dividend of HK\$0.01 per share for the year ended 30th April, 2001 (the "Final Dividend") and to approve that subject to the listing of, and permission to deal in, such new shares to be issued by the Company pursuant to this Resolution having been or being granted by the Listing Committee of The Stock Exchange of Hong Kong Limited and (if required) the permission having been or being granted by the Bermuda Monetary Authority for the issue and transfer of such new shares, the Final Dividend be distributed, at the election of the shareholders of the Company whose names appear on the Company's register of members on 14th September, 2001 (the "Record Date") (excluding the shareholders of the Company with registered addresses outside Hong Kong on the Record Date who shall receive the Final Dividend wholly in cash pursuant to the Scrip Dividend Scheme (as defined below)), in the form of new shares in lieu of cash dividend pursuant to the scrip dividend scheme as set out in the circular of the Company to the shareholders of the Company dated 20th August, 2001 (the "Scrip Dividend Scheme") and that the Directors be authorised to do all acts and things as may be necessary and expedient to give effect to the Scrip Dividend Scheme.

As special business, to consider and, if thought fit, pass the following resolutions as Ordinary Resolutions:

5. **"THAT** the maximum number of Directors for the time being be fifteen (15) and that the Board of Directors of the Company be and is hereby unconditionally authorised to appoint additional Directors (including alternate Directors) up to the maximum determined above or such other maximum number as may be determined from time to time by shareholders of the Company in general meeting."
6. **"THAT** subject to the listing of, and permission to deal in, the Bonus Shares (as defined below) to be issued by the Company pursuant to this Resolution having been or being granted by the Listing Committee of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and (if required) the permission having been or being granted by the Bermuda Monetary Authority for the issue and transfer of the Bonus Shares (as defined below):
 - (a) upon the recommendation of the Directors, it is desirable that such part of the amount standing to the credit of the share premium account of the Company would be required to be applied in paying up in full at par bonus shares of HK\$0.10 each in the capital of the Company (the "Bonus Shares") and such Bonus Shares to be allotted, distributed (subject as referred to in paragraph (c) below) and credited as fully paid among the persons who are registered as holders of the existing issued shares in the capital of the Company on 14th September, 2001 in the proportion of one Bonus Share for every five existing shares held be capitalised and applied in such manner as set out in the circular of the Company to the shareholders of the Company dated 20th August, 2001 and the Directors be and they are hereby authorised to allot and issue the Bonus Shares;
 - (b) the Bonus Shares shall rank pari passu in all respects with the existing issued shares of HK\$0.10 each in the capital of the Company when issued, save in respect of the entitlement to the final dividend for the year ended 30th April, 2001;
 - (c) no fractional Bonus Shares shall be allotted and distributed as aforesaid, but Bonus Shares representing fractional entitlements shall be aggregated and sold and the net proceeds thereof (if any) will be retained by the Company for its own benefit; and
 - (d) the Directors be authorised to do all acts and things as may be necessary and expedient in connection with the issue of the Bonus Shares referred to in paragraph (a) of this Resolution, including but not limited to, determining the amount to be capitalised out of the Company's share premium account and the number of Bonus Shares to be allotted and distributed in the manner referred to in paragraph (a) of this Resolution."

7. **"THAT:**

- (i) subject to paragraph (iii) 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 additional shares in the capital of the Company or securities convertible into shares of the Company and to make or grant offers, agreements and options, including warrants to subscribe for shares or securities convertible into or exchangeable for shares of the Company, which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (ii) the approval in paragraph (i) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options, including warrants to subscribe for shares or securities convertible into or exchangeable for shares of the Company, which might require the exercise of such powers after the end of the Relevant Period;
- (iii) the aggregate nominal amount of 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 (i) above, otherwise than pursuant to (a) a Rights Issue (as hereinafter defined); (b) the exercise of any options granted under the share option scheme of the Company; (c) the exercise of rights of subscription or conversion under the terms of any warrants or any securities convertible into shares of the Company or any similar instruments requiring the Company to issue shares, or (d) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares in accordance with the Company's Bye-laws, 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 this Resolution as extended by the number of shares to be allotted and issued pursuant to Resolutions numbered 4 and 6 (as set out in the notice convening this meeting to which this Resolution forms part) passed at this meeting, and the said approval shall be limited accordingly; and

- (iv) 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 applicable laws or the Bye-laws of the Company to be held; and
- (c) the date on which the authority set out in this Resolution is revoked or varied by passing an ordinary resolution of the Company in general meeting;

"Rights Issue" means an offer of shares open for a period fixed by the Directors 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 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, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company)."

8. **"THAT:**

- (i) subject to paragraph (ii) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase the issued shares and warrants of the Company on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") or on any other stock exchange on which the securities of the Company may be listed and which is recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (ii) the aggregate nominal amount of shares and warrants of the Company which are authorised to be repurchased by the Directors pursuant to the approval in paragraph (i) above during the Relevant Period 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 this Resolution as extended by the number of shares to be allotted and issued pursuant to Resolutions numbered 4 and 6 (as set out in the notice convening this meeting to which this Resolution forms part) passed at this meeting and 10 per cent. of the aggregate amount of warrants of the Company outstanding as at the date of passing this Resolution, in each case 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 any applicable laws or the Bye-laws of the Company to be held; and
- (c) the date on which the authority set out in this Resolution is revoked or varied by passing an ordinary resolution of the Company in general meeting."

9. **"THAT** conditional upon the passing of the Resolutions numbered 7 and 8 set out in the notice of convening this meeting at which this Resolution is considered, the general mandate granted to the Directors and for the time being in force to exercise the powers of the Company to allot, issue and deal with new shares pursuant to the Resolution numbered 7 set out in the said notice be and is hereby extended by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandate 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 said Resolution numbered 8, provided that such extended amount 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 this Resolution as extended by the number of shares to be allotted and issued pursuant to Resolutions numbered 4 and 6 (as set out in the notice convening this meeting to which this Resolution forms part) passed at this meeting."

By Order of the Board
Li Lai Sheung
Company Secretary

Hong Kong, 20th August, 2001

Principal Place of Business in Hong Kong:

Flats A and B, 2nd Floor
Hing Win Factory Building
110 How Ming Street
Kwun Tong
Kowloon
Hong Kong

Notes:

1. Any member entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and, including on a poll, vote in his stead. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf. A proxy need not be a member of the Company.
2. A form of proxy for the meeting is enclosed herewith. Completion and return of the form of proxy will not preclude a member from attending the meeting if he so wishes. In the event that a member who has lodged a form of proxy attends the meeting, his form of proxy will be deemed to have been revoked.
3. To be valid, a form of proxy, together with 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 office of the Hong Kong branch share registrar of the Company, Central Registration Hong Kong Limited, at Rooms 1901-5, 19th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 48 hours before the time appointed for the holding of the meeting or any adjourned meeting thereof.
4. In the case of joint holders of any share, any one of such holders may vote at the meeting either personally or by proxy in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, the said holder whose name stands first in the register of members of the Company shall alone be entitled to vote in respect of that share.
5. The register of members of the Company will be closed from 10th September, 2001 to 14th September, 2001, both dates inclusive, during which period no transfer of shares will be effected and no shares will be allotted and issued on the exercise of the subscription rights attaching to the outstanding warrants of the Company.