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Our reference: 60011/60054/60008493

Number of pages - 5

Dear Sir

Notice of change of interest of substantial holder in Advanced Engine Components Limited

We act for 698 Capital International Limited.

Attached is our client's Form 604 - Notice of change of interest of substantial holder relating to Advanced Engine Components Limited.

Yours faithfully

**Will Moncrieff****Partner**wmoncrieff@claytonutz.com

Contact:

Robyn Gilbert**Senior Associate**rgilbert@claytonutz.com

Form 604

Corporations Act 2001
Section 671B

Notice of change of interests of substantial holder

To Company Name/Scheme	Advanced Engine Components Limited ("AEC")
ACN/ARSN	009 081 770

1. Details of substantial holder (1)	This notice is given by 698 Capital International Limited on behalf of itself and each person specified in Item 3 below
Name	698 Capital International Limited ("698 Capital") and each person specified in Item 3 below
ACN/ARSN (if applicable)	ARBN 105 459 130

There was a change in the interests of the substantial holder on	24, 25 & 28/07/2003
The previous notice was given to the company on	07/07/2003
The previous notice was dated	10/7/2003

2. Previous and present voting power
The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

Class of securities (4)	Previous notice		Present notice	
	Person's votes	Voting power (b)	Person's votes	Voting power (b)
Ordinary shares	33,699,085	10.9%	109,342,617	64.67%

3. Changes in relevant interests
Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected
Refer Annexure "A"	Refer Annexure "A"	Refer Annexure "A"	Refer Annexure "A"	Refer Annexure "A"	Refer Annexure "A"

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4. Present relevant interests

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Nature of relevant interest (1)	Class and number of securities	Person's votes
698 Capital	698 Capital as to 33,898,065 shares and various offerees who have accepted the offers under the Takeover Bid as to 75,543,452.	698 Capital	Power to control disposal of the securities pursuant to contracts referred to in paragraph 3 above	108,342,517 Ordinary Shares	64.57%
High Target Investments Limited	As above	698 Capital	Taken under section 608(3)(b) of the Corporations Act to have a relevant interest by reason of having control of 698 Capital.	As above	As above
Sunpex Investments Limited	As above	698 Capital	Taken under section 608(3)(b) of the Corporations Act to have a relevant interest by reason of having control of 698 Capital and High Target Investments Limited.	As above	As above
Wu Chuen-Tai Daniel	As above	698 Capital	Taken under section 608(3)(b) of the Corporations Act to have a relevant interest by reason of having control of 698 Capital, High Target Investments Limited and Sunpex Investments Limited	As above	As above

5. Changes in association

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
Not applicable	

6. Addresses

The addresses of persons named in this form are as follows:

Name	Address
698 Capital International Limited	Akera Building, 24 De Castro Street, Wickham Cay I, Road Town, Tortola, British Virgin Islands
High Target Investments Limited	Akera Building, 24 De Castro Street, Wickham Cay I, Road Town, Tortola, British Virgin Islands
Sunpex Investments Limited	Akera Building, 24 De Castro Street, Wickham Cay I, Road Town, Tortola, British Virgin Islands
Wu Chuen-Tai Daniel	11th Floor, 3 Sung Shou Road, Taipei, Taiwan, Republic of China

Signature

Signed for 698 Capital International Limited, High Target Investments Limited, Sunpex Investments Limited and Wu Chuen-Tai Daniel by their Attorney, William Edward Moncrieff, in the presence of:

Signature of Attorney
(who declares that he has no notice of revocation of the powers of attorney each dated 24 July 2003)

Dated: 29 July 2003

Signature of Witness

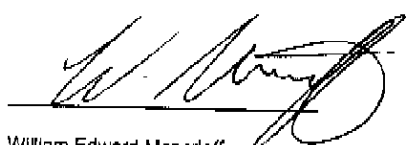
Name of Witness: Robyn Anne Gilbert

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 606 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (6) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (7) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown".
- (9) Give details, if appropriate, of the present association and any change in that association since the last substantial holding notice.

Annexure "A"

This is annexure "A" of 1 page referred to in the Form 604: Notice of Change of Interests of Substantial Holder dated 29 July 2003 given by 698 Capital International Limited on behalf of itself and each person specified in Item 3 under section 671B of the Corporations Act signed by me, under powers of attorney referred to in the Form 604: Notice of Change of Interests of Substantial Holder.



William Edward Moncreff

Item 3 – Changes in Relevant Interest

Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected
24/07/2003	698 Capital	Purchaser of shares pursuant to contracts arising from 698 Capital's takeover offers to acquire all of the ordinary shares in AEC, the terms of which are set out in the bidder's statement dated 4 July 2003 and sent to AEC shareholders on 18 July 2003 ("Takeover Bid")	Consideration payable pursuant to Takeover Bid of 1 cent per AEC share.	138,035	0.08%
25/07/2003	698 Capital	Purchaser of shares pursuant to contracts arising from 698 Capital's Takeover Bid.	Consideration payable pursuant to Takeover Bid of 1 cent per AEC share.	50,252	0.03%
28/07/2003	698 Capital	Purchaser of shares pursuant to contracts arising from 698 Capital's Takeover Bid.	Consideration payable pursuant to Takeover Bid of 1 cent per AEC share.	75,457,165	44.56%
24, 25 & 28/07/2003	High Target Investments Limited	Taken under section 608(3)(b) of the Corporations Act to have a relevant interest by reason of having control of 698 Capital.	As above	As above	As above
24, 25 & 28/07/2003	Sunpex Investments Limited	Taken under section 608(3)(b) of the Corporations Act to have a relevant interest by reason of having control of 698 Capital.	As above	As above	As above
24, 25 & 28/07/2003	Wu Chuen-Tai Daniel (Dr C. Daniel Wu)	Taken under section 608(3)(b) of the Corporations Act to have a relevant interest by reason of having control of 698 Capital.	As above	As above	As above