



# UPBEST GROUP LIMITED

*(Incorporated in Cayman Islands with limited liability)*

(stock code: 335)

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the annual general meeting of Upbest Group Limited (the “Company”) will be held at 2nd Floor, Wah Kit Commercial Centre, 302 Des Voeux Road Central, Hong Kong on August 29, 2005 at 9:30 a.m. for the following purposes:

- (1) To receive and consider the financial statements and the reports of the directors and auditors for the year ended March 31, 2005;
- (2) To declare a final dividend;
- (3) To re-elect directors and to authorise the directors to fix their remuneration;
- (4) To re-appoint auditors for the ensuing year and to authorise the directors to fix their remuneration;
- (5) To consider as special business 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 and without prejudice to resolution 5(B) set out in the notice of this meeting, the exercise by the Board during the Relevant Period (as defined in paragraph (d) of this resolution) of all powers of the Company to issue, allot and deal in the Shares and to issue, allot or grant securities convertible into Shares or options, warrants or similar rights to subscribe for any shares in the Company or such convertible securities and to make or grant offers, agreements and options which would or 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) of this resolution shall authorise the Board during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such power after the end of the Relevant Period;

- (c) 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 Board pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to:
- (i) a Rights Issue (as defined in paragraph (d) of this resolution);
  - (ii) any scrip dividend scheme or similar arrangements implemented in accordance with the Articles of Association of the Company; or
  - (iii) an issue of Shares under the share option scheme of the Company or any similar arrangements for the time being adopted by the Company for the grant or issue to employees or directors of the Company and/or any of its subsidiaries of Shares or right to acquire Shares; or
  - (iv) the exercise of the rights of subscription or conversion under the terms of any securities or notes for the time being in force which are convertible into any shares in the Company;

shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution and the said approval shall be limited accordingly;

- (d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier 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 Articles of Association of the Company or any applicable law of the Cayman Islands to be held; and
- (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the Board to holders of Shares on the register on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusions or other arrangements as the Board may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory).”

(B) **“THAT:**

- (a) subject to paragraph (b) of this resolution, the exercise by the Board during the Relevant Period (as defined in resolution 5(A)(d) set out in the notice of this meeting) of all the powers of the Company to repurchase the Shares on the Stock Exchange or on any other exchange on which the Shares may be listed and which is recognised by the Securities and Futures Commission and the Stock Exchange (the “Recognised Stock Exchange”) subject to and in accordance with all applicable laws, and in accordance with the provisions of, and in the manner specified in, the Rules Governing the Listing of Securities on the Stock Exchange or the rules of any other Recognised Stock Exchange, be and is hereby generally and unconditionally approved; and
- (b) the aggregate nominal amount of the Shares to be repurchased or agreed conditionally or unconditionally to be repurchased by the Company pursuant to the approval in paragraph (a) of this Resolution during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution and the said approval shall be limited accordingly.”
- (C) **“THAT** conditional upon the passing of resolutions 5(A) and 5(B) set out in the notice of this meeting, the aggregate nominal amount of Shares which shall have been repurchased by the Company pursuant to and in accordance with resolution 5(B) set out in the notice of this meeting shall be added to the aggregate nominal amount of Shares which may be allotted or agreed conditionally or unconditionally to be allotted by the Board pursuant to and in accordance with resolution 5(A) set out in the notice of this meeting, provided that such additional amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this resolution.”

- (6) To consider as special business and, if thought fit, pass with or without amendments, the following resolutions as special resolution:

**“THAT:**

the existing Articles of Association of the Company be and hereby amended in the following manner:

- (A) by deleting Article 116 in its entirety and substituting therefore the following new paragraph:

116. Subject to the manner of retirement by rotation of Directors as from time to time prescribed under the rules of the Designated Stock Exchange, and notwithstanding any contractual or other terms on which any Director may be appointed or engaged, at each annual general meeting one third of the Directors for the time being (or, if their number is not three or a multiple of three (3), then the number nearest to, but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years.”

- (B) by deleting Article 119 in its entirety and substituting therefore the following new paragraph:

119. The Company may from time to time in general meeting by ordinary resolution increase or reduce the number of Directors but so that the number of Directors shall not be less than two (2). Subject to the provisions of these Articles and the Law, the Company may by ordinary resolution elect any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until the first general meeting after their appointment of the Company and shall then be eligible for re-election, but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting.

By Order of the Board  
**Li Kwok Cheung, George**  
*Executive Director and  
Company Secretary*

Hong Kong, July 22, 2005

*Notes:*

1. Any member entitled to attend and vote may appoint one or more proxies to attend the meeting instead of him and to vote on a poll. A proxy need not be a member of the Company.
2. 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 of authority shall be deposited at the principal place of business of the Company at 2nd Floor, Wah Kit Commercial Centre, 302 Des Voeux Road Central, Hong Kong not less than 48 hours before the time for holding the meeting (or adjourned meeting, as the case may be).

3. The register of members of the Company will be closed from August 15, 2005 to August 19, 2005, both days inclusive, for the purpose of establishing entitlements of the shareholders of the Company to attend the Company's annual general meeting. During such period, no transfer of Shares will be registered. In order to qualify for the proposed final dividend and voting, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar in Hong Kong, Standard Registrars Limited, at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong for registration no later than 4:00 p.m. on August 12, 2005, Friday.
4. Subject to the passing of the necessary resolution at the forthcoming Annual General Meeting, the final dividend will be payable on October 18, 2005, to shareholders whose names appear on the register of member on August 15, 2005. Shareholders will be given the option to receive their dividend in the form of scrip rather than cash.

*As at the date of this announcement, the Board of the Company consists of Dr. Wong King Keung, Peter as non-executive director and chairman, Mr. Wong Ching Hung, Thomas, Mr. Cheng Kai Ming, Charles and Mr. Li Kwok Cheung, George as executive directors and Mr. Wong Wai Kwong, David, Mr. Pang Cheung Hing, Alex and Mr. Fuk Ho Kai as independent non-executive directors.*

Please also refer to the published version of this announcement China Daily.