

---

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

---

**If you are in any doubt** as to any aspect of this circular or as to the action you should take, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Upbest Group Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

---



## **UPBEST GROUP LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

(Stock code: 335)

### **PROPOSALS RELATING TO GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES, RE-ELECTION OF RETIRING DIRECTORS, AMENDMENTS TO THE ARTICLES OF ASSOCIATIONS, AND NOTICE OF ANNUAL GENERAL MEETING OF THE COMPANY**

---

The notice convening an Annual General Meeting to be held on August 29, 2005, at which, among others, the above proposals will be considered, is set out on pages 10 to 13 of this circular.

Whether or not you propose to attend the Annual General Meeting, you are requested to complete and return the form of proxy enclosed with this circular in accordance with the instructions printed thereon as soon as possible.

July 26, 2005

---

## LETTER FROM THE MANAGEMENT

---



### UPBEST GROUP LIMITED

*(Incorporated in the Cayman Islands with limited liability)*  
(Stock code: 335)

*Non-executive Director:*

Dr. Wong King Keung, Peter (*Chairman*)

*Executive Directors:*

Mr. Wong Ching Hung, Thomas

Mr. Cheng Kai Ming, Charles

Mr. Li Kwok Cheung, George

*Independent Non-executive Directors:*

Mr. Wong Wai Kwong, David

Mr. Pang Cheung Hing, Alex

Mr. Fuk Ho Kai

*Registered office:*

Ugland House  
South Church Street  
P.O. Box 309  
Grand Cayman  
Cayman Islands  
British West Indies

*Principal place of business:*

2nd Floor  
Wah Kit Commercial Centre  
302 Des Voeux Road Central  
Hong Kong

July 26, 2005

*To the shareholders of the Company*

Dear Sir or Madam,

**PROPOSALS RELATING TO  
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,  
RE-ELECTION OF RETIRING DIRECTORS,  
AMENDMENTS TO THE ARTICLES OF ASSOCIATIONS,  
AND  
NOTICE OF ANNUAL GENERAL MEETING  
OF THE COMPANY**

#### INTRODUCTION

The purpose of this circular is to seek your approval of proposals to grant general mandates to issue and repurchase shares and amendment to the Articles of Associations of the Company, as well as to provide you with information in connection with such proposals. Your approval will be sought at the annual general meeting of the Company to be held on August 29, 2005 (the "Annual General Meeting").

---

## LETTER FROM THE MANAGEMENT

---

### GENERAL MANDATE FOR REPURCHASE BY THE COMPANY OF ITS OWN SECURITIES

At the annual general meeting held on August 30, 2004, a general mandate was given to the board of directors of the Company (the “Board”) to exercise the powers of the Company to repurchase shares of HK\$0.01 each of the Company (the “Shares”) up to a maximum of 10 per cent. of the issued share capital of the Company on that date. Such mandate will lapse at the conclusion of the Annual General Meeting.

Your attention is drawn to an ordinary resolution set out in the notice convening the Annual General Meeting dated August 29, 2005, 2005 contained in pages 10 to 13 of this circular. Such ordinary resolution proposes to give a general mandate to the Board to exercise the powers of the Company to repurchase at any time until the conclusion of the next annual general meeting of the Company following the passing of the relevant resolution or such earlier period as stated therein up to a maximum of 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing that ordinary resolution (the “Repurchase Mandate”).

An explanatory statement, as required under the relevant rules set out in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”) regulating the repurchase by companies with primary listings on the Stock Exchange of their own securities on the Stock Exchange, to provide the requisite information for your consideration of the Repurchase Mandate is set out in the Explanatory Statement hereto.

### GENERAL MANDATE TO ISSUE NEW SECURITIES OF THE COMPANY

It will be proposed at the Annual General Meeting the ordinary resolutions as set out in the notice convening the Annual General Meeting dated August 29, 2005 for granting to the Board a general mandate to allot, issue and deal with new Shares and/or other securities of the Company not exceeding 20 per cent. of the issued share capital of the Company as at the date of passing that ordinary resolution (the “New Issue Mandate”) and extending the New Issue Mandate by adding to it the aggregate nominal amount of the Shares repurchased by the Company under the Repurchase Mandate.

As at July 21, 2005 (the latest practicable date prior to the printing of this circular) (the “Latest Practicable Date”), there were 1,228,754,000 Shares in issue and subject to the passing of the necessary ordinary resolution and on the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, exercise in full of the New Issue Mandate could accordingly result in up to 245,750,800 Shares being issued by the Company during the course of the period prior to the next annual general meeting to be held in 2006.

### RE-ELECTION OF RETIRING DIRECTORS

The Board currently consists of seven directors, namely Dr. Wong King Keung, Peter (Chairman), Mr. Wong Ching Hung, Thomas, Mr. Cheng Kai Ming, Charles, Mr. Li Kwok Cheung, George, Mr. Wong Wai Kwong, David, Mr. Pang Cheung Hing, Alex and Mr. Fuk Ho Kai.

Pursuant to Article 119 of the existing Articles of Association, Dr. Wong King Keung, Peter and Mr. Fuk Ho Kai who were both appointed during the current year shall hold office until the next following annual general meeting of the Company, being eligible, would offer themselves for re-election.

---

## LETTER FROM THE MANAGEMENT

---

Pursuant to Article 116 of the existing Articles of Association, Mr. Li Kwok Cheung, George and Mr. Pang Cheung Hing, Alex shall retire by rotation at the Annual General Meeting, being eligible, would offer themselves for re-election.

Details of the retiring directors proposed for re-election at the Annual General Meeting are set out in the Appendix II of this circular.

### AMENDMENTS TO THE ARTICLES OF ASSOCIATIONS

The Stock Exchange has recently amended the Listing Rules for the purpose of implementing the Code on Corporate Governance Practices (the “Code”). In the Listing Rules, the Code replaces the Code of Best Practice in Appendix 14 of the Listing Rules. Pursuant to paragraph A.4.2 of the Code, every director should be subject to retirement by rotation at least once every three years and any director appointed during the year shall hold office only until the first general meeting of the Company and shall 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. The existing Article 116 and 119 of the Company’s Article of Association does not comply with the said paragraph A.4.2 of the Code and the Directors therefore propose the Special Resolution as set out in the notice of Annual General Meeting to amend the existing Article 116 and 119.

### PROCEDURES FOR DEMANDING A POLL

Pursuant to Article 80, at any general meeting a resolution put to the vote at the meeting shall be determined in the first instance by a show of hands of the members present in person or by proxy or (in the case of a member being a corporation) by its duly authorised representative and entitled to vote unless a poll is required under the Listing Rules or (before or on the declaration of the result of the show of hands) is duly demanded:

- (a) by the Chairman; or
- (b) by at least five members present in person or by proxy or (in the case of a member being a corporation) by its duly authorised representative for the time being entitled to vote at the meeting; or
- (c) by any member or members present in person or by proxy or (in the case of a member being a corporation) by its duly authorised representative and representing not less than one-tenth of the total voting rights of all members having the right to vote at the meeting; or
- (d) by a member or members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

Unless a poll is duly required or demanded in accordance with the foregoing provisions, a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by any

---

## LETTER FROM THE MANAGEMENT

---

particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour or against such resolution.

### PROXY

A form of proxy for use at the Annual General Meeting is enclosed with this circular. Whether or not they intend to attend the meeting, shareholders are requested to complete and return the form of proxy to the principal place of business of the Company at 2nd Floor, Wah Kit Commercial Centre, 302 Des Voeux Road Central, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the Annual General Meeting should shareholders so desire.

### RECOMMENDATION

The Board consider that the proposal mentioned above, including the proposals for the grant of the New Issue Mandate, the Repurchase Mandate and the amendment to the Articles of Associations of the Company, are in the best interests of the Company as well as its shareholders. Accordingly, the Board recommend that all shareholders vote in favour of the resolutions to be proposed at the Annual General Meeting.

### GENERAL INFORMATION

Your attention is also drawn to the additional information set out in the Appendices to this circular.

### RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

Yours faithfully  
For and on behalf of the Board  
**LI Kwok Cheung, George**  
*Executive Director*

The Appendix serves as an explanatory statement, as required by the Listing Rules, to provide information to you with regard to the Repurchase Mandate.

## **1. THE LISTING RULES**

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their securities on the Stock Exchange or on another stock exchange on which the securities of the companies may be listed and recognised for this purpose by the Securities and Futures Commission and the Stock Exchange subject to certain restrictions, the more important of which are summarised below:

### **(a) Source of funds**

Repurchases must be funded out of funds legally available for such purpose in accordance with the constitutive documents of the company and the laws of the jurisdiction in which the company is incorporated.

### **(b) Maximum number of shares to be repurchased**

The shares which are proposed to be repurchased by a company must be fully paid up. A maximum of 10 per cent. of the issued share capital as at the date of passing the relevant resolution may be repurchased on the Stock Exchange.

## **2. SHARE CAPITAL**

As at the Latest Practicable Date, there were 1,228,754,000 Shares in issue and subject to the passing of the necessary ordinary resolution and on the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, exercise in full of the Repurchase Mandate could accordingly result in up to 122,875,400 Shares being repurchased by the Company during the course of the period prior to the next annual general meeting to be held in 2006.

## **3. REASONS FOR REPURCHASES**

The Board believes that it is in the best interests of the Company and its shareholders to have a general authority from shareholders to enable the Board to repurchase the Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or net assets per Share and/or its earnings per Share and will only be made when the Board believe that such repurchases will benefit the Company and its shareholders.

## **4. FUNDING OF REPURCHASES**

Repurchases of the Shares will be funded entirely from the Company's available cash flow or working capital facilities, and will, in any event, be made out of funds legally available for the purchase in accordance with the Memorandum and Articles of Associations of the Company and the applicable laws of the Cayman Islands.

There might be a material adverse effect on the working capital requirements or gearing levels of the Company (as compared with the position disclosed in the audited accounts contained in the 2005 Annual Report) in the event that the Repurchase Mandate is exercised in full at any time. However, the Board do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing levels of the Company at the time of the relevant purchases unless the Board determine that such repurchases are, taking account of all relevant factors, in the best interests of the Company.

## **5. GENERAL**

The Board have undertaken to the Stock Exchange that they will exercise the powers of the Company to make repurchase pursuant to the Repurchase Mandate and in accordance with the Listing Rules and any applicable laws of the Cayman Islands.

None of the directors nor, to the best of their knowledge having made all reasonable enquiries, their associates, have any present intention to sell any Shares to the Company under the Repurchase Mandate if the same is approved by the shareholders.

No other connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell any Shares to the Company, or have undertaken not to do so, in the event that the Repurchase Mandate is approved by the shareholders.

If a shareholder's proportionate interest in the voting rights of the Company increases as a result of the Board exercising the powers of the Company to repurchase its Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition of voting rights for the purpose of Rule 32 of the Hong Kong Code on Takeovers and Mergers (the "Takeovers Code"). Accordingly, a shareholder or group of shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 and 32 of the Takeovers Code. As at the Latest Practicable Date, CCAA Group Limited ("CCAA") was interested in 840,000,000 Shares, representing 68.36 per cent. of the issued share capital of the Company.

In the event that the Repurchase Mandate is exercised in full, CCAA's interest would be increased to approximately 75.96% per cent, of the issued share capital of the Company. The Board have no intention to repurchase Shares to such an extent as would result in the number of listed shares which are in the hands of the public falling below the relevant prescribed minimum percentage. The Board is not aware of any consequences which may arise under the Takeovers Code as a result of any repurchase made under the Repurchase Mandate.

**6. THE SHARE PRICES**

The highest and lowest prices at which the Shares have traded on the Stock Exchange during each of the previous twelve months were as follows:

|   | <b>The Shares</b> |               |
|---|-------------------|---------------|
|   | <b>Highest</b>    | <b>Lowest</b> |
|   | <i>HK\$</i>       | <i>HK\$</i>   |
| July 2004                                     | 0.59              | 0.49          |
| August 2004                                   | 0.59              | 0.49          |
| September 2004                                | 0.58              | 0.49          |
| October 2004                                  | 0.60              | 0.49          |
| November 2004                                 | 0.69              | 0.49          |
| December 2004                                 | 1.71              | 0.68          |
| January 2005                                  | 2.00              | 1.22          |
| February 2005                                 | 1.33              | 0.88          |
| March 2005                                    | 1.20              | 0.98          |
| April 2005                                    | 1.15              | 1.07          |
| May 2005                                      | 1.20              | 1.02          |
| June 2005                                     | 1.20              | 1.03          |
| July 2005 (up to the Latest Practicable Date) | 1.09              | 0.99          |

**7. REPURCHASES OF SHARES MADE BY THE COMPANY**

No repurchases of Shares have been made by the Company (whether on the Stock Exchange or otherwise) in the six months preceding July 21, 2005, the Latest Practicable Date.



---

## APPENDIX II      DETAILS OF DIRECTOR PROPOSED FOR RE-ELECTION

---

The biographical details of the Directors eligible for re-election at the Annual General Meeting are set out below:

### Non-Executive Director and Chairman

**Dr. Wong King Keung, Peter** (*BBS, JP*) (“Dr. Wong”), aged 59, was appointed as the non-executive director and chairman of the Company. He earned his first two degrees from the University of Hong Kong and his final doctorate from Queen’s University, Canada in the field of Civil Engineering. He has managed companies involved in engineering services, construction, real estate, industrial manufacturing and China trade. He is actively involved in public service as member of the Town Planning Board, Arts Development Council, Institution for Promotion of Chinese Culture and the Macau Open University. He is also currently a member of the Chinese People’s Political Consultative Conference. Dr. Wong is the independent non-executive director of China Rich Holdings Limited (Stock Code: 1191).

### Executive Directors

**Mr. Li Kwok Cheung, George** (“Mr. Li”), aged 44, is an executive director and the company secretary of the Company. Mr. Li has joined the Group since 1996 and is responsible for business development and marketing of the Group. He has been a dealing director of Upbest Securities Company Limited since May 1, 2000. He holds a master’s degree in international marketing from the University of Strathclyde in Glasgow, Scotland, United Kingdom and is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants. He had worked as a senior manager of the compliance division (currently known as regulation division) of the Stock Exchange for seven years before joining the investment advisory and securities industry in 1995. Mr. Li had also served with an international audit firm for five years. Mr. Li is an investment adviser and a dealer registered under the Securities Ordinance and is a deemed responsible officer under the Securities and Futures Ordinance. He is also an executive director of UBA Investments Limited (Stock code: 768).

### Independent Non-Executive Directors

**Mr. Pang Cheung Hing, Alex** (“Mr. Pang”), aged 50, is an independent non-executive director. Prior to November 2001, Mr. Pang worked as a senior director in the Enforcement Division of the Securities and Futures Commission of Hong Kong. From November 2001 to February 2003, he served as a Commissioner in the Strategy & Development Committee of the China Securities Regulatory Commission. He is now running his own consultancy company. Professionally, he is a fellow member of both the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. He is also an associate member of the Chartered Institute of Management Accountants and Institute of Chartered Secretaries and Administrators.

**Mr. Fuk Ho Kai** (“Mr. Fuk”), aged 31, was appointed as independent non-executive director of the Company. He has over 7 years experience in the field of IT & management consulting. Mr. Fuk obtained a Bachelor degree from the Chinese University of Hong Kong. He is currently the management of a mainland IT & management consulting firm.

---

## **APPENDIX II      DETAILS OF DIRECTOR PROPOSED FOR RE-ELECTION**

---

There are no service agreement contracted with Dr. Wong, Mr. Li, Mr. Pang and Mr. Fuk. All of Dr. Wong, Mr. Li, Mr. Pang and Mr. Fuk did have no fixed term of service with the Company but will be subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association of the Company.

The director's fee of Dr. Wong, Mr. Li, Mr. Pang and Mr. Fuk are to be determined by the Board of Directors as authorised by the Shareholders at the Annual General Meeting, which are determined based on the market rate and their anticipated time, effort and expertise to be exercised on the Group's affairs. For the year ended 31 March 2005, Dr. Wong is entitled for a director's emoluments of HK\$16,666.67. Mr. Li is entitled for a director's emoluments of HK\$442,000 (excluding commission) and Mr. Pang and Mr. Fuk are entitled for a director's emoluments of HK\$50,000 and HK\$15,000 respectively.

As at the date of this circular, all of Dr. Wong, Mr. Li, Mr. Pang and Mr. Fuk are not connected with the directors, chief executives or substantial shareholders of the Company and have no interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. There are no matter which need to be brought to the attention of the shareholders of the Company upon their re-election. Save as disclosure above, none of Dr. Wong, Mr. Li, Mr. Pang and Mr. Fuk do hold any directorship in other Hong Kong listed companies within the past 3 years preceding the date of this circular.

As at the date of this circular, the Board 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.

---

## NOTICE OF ANNUAL GENERAL MEETING

---



### UPBEST GROUP LIMITED

*(Incorporated in the Cayman Islands with limited liability)*

(Stock code: 335)

**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;

---

## NOTICE OF ANNUAL GENERAL MEETING

---

- (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).”

---

## NOTICE OF ANNUAL GENERAL MEETING

---

(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

---

## NOTICE OF ANNUAL GENERAL MEETING

---

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.