

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Shareholders of Norstar Founders Group Limited will be held at 10:00 am, on Friday, 13 August 2004 at Plaza I-III, Lower Lobby, Novotel Century Hong Kong Hotel, 238 Jaffe Road, Wanchai, Hong Kong for the purpose of transacting the following business:

As ordinary business:

- (1) To receive and consider the statement of accounts of the Company for the year ended 31 March 2004 and the reports of the Directors and the Auditors thereon.
- (2) To declare a final dividend for the year ended 31 March 2004.
- (3) To re-elect retiring Directors.
- (4) To re-appoint the Auditors and authorise the Directors to fix their remuneration.

As special business:

As special business, to consider and, if thought fit, to pass with or without modification the following resolutions of which resolutions number (5) to (7) will be proposed as ordinary resolutions and resolution number (8) will be proposed as a special resolution:

ORDINARY RESOLUTIONS

- (5) **"THAT:**
 - (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to purchase Shares on the Stock Exchange be and is hereby generally and unconditionally approved;
 - (b) the aggregate nominal amount of Shares which may be purchased 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 at the date of passing this Resolution (5), and the said approval shall be limited accordingly; and
 - (c) for the purpose of this Resolution (5), "Relevant Period" means the period from the passing of this Resolution (5) until whichever is the earliest 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 or by law to be held; and
 - (iii) the revocation or variation of the authority given under this Resolution (5) by an ordinary resolution of the Shareholders in general meeting."

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(6) **“THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue or otherwise deal with additional Shares and to make or grant offers, agreements, options and other rights or issue warrants which may require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and/or options which may require the exercise of such powers at any time during or after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company pursuant to the approvals in paragraphs (a) and (b) above shall not exceed the aggregate of 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution (6); and
- (d) for the purposes of this Resolution (6), “Relevant Period” means the period from the passing of this Resolution (6) until whichever is the earliest 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 or by law to be held; and
 - (iii) the revocation or variation of the authority given under this Resolution (6) by an ordinary resolution of the Shareholders in general meeting; and

- (7) **“THAT** the general mandate granted to the Directors to exercise the powers of the Company to allot, issue and otherwise deal with any additional Shares pursuant to Resolution (6) above be and is hereby extended by the addition thereto 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 Resolution (5) above, 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 at the date of passing of this Resolution (7).”

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SPECIAL RESOLUTION

(8) **“THAT** the Articles of Association be hereby amended as follows:

- (a) By deleting the existing definition of “associates” in Article 1(A) and substituting therefor the following new definition of “associates”:

““associate” shall have the meaning attributed to it in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.”

- (b) By adding the following new Article 79(A) immediately after Article 79:

“79A. Where any shareholder is, under the rules of any stock exchange in the Relevant Territory, 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.”

- (c) By deleting the existing Article 107(H) in its entirety and replacing it with the following new Article 107(H):

“(H) A Director shall not vote (nor be counted in the quorum) on any resolution of the Directors in respect of any contract or arrangement or proposal in which he or any of his associates has a material interest, and if he shall do so his vote shall not be counted (nor is he counted in the quorum for that resolution), but this prohibition shall not apply to any of the following matters namely:

- (i) any contract or arrangement for the giving by the Company of any security or indemnity 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;
- (ii) any contract or arrangement for the giving by the Company of any security or indemnity 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 security;
- (iii) any contract or arrangement concerning an offer of the 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 or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;

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- (iv) any contract or arrangement in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company;
 - (v) any contract or arrangement 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 a 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 five 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 associates is derived) or of the voting rights;
 - (vi) any proposal or arrangement for the benefit of employees of the Company or its subsidiaries including the adoption, modification or operation of a pension fund or retirement, death or disability benefit scheme which relates both to Directors, his associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director, or his associate(s), any privilege or advantage not generally accorded to the class of persons to whom such scheme or fund relates; and
 - (vii) Any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including 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."
- (d) By adding the following paragraph in Article 113:
- "The period for lodgment of the notices referred to in this Article will commence no earlier than the day after the despatch of the notice of the meeting appointed for such election and end no later than 7 days prior to the date of such meeting."

By Order of the Board
Fung Ka Wai Elina
Company Secretary

Hong Kong, 23 June 2004

Principal place of business in Hong Kong:

Suite No. 1 10th Floor Sino Plaza 255-257 Gloucester Road Causeway Bay Hong Kong

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Notes:

1. Any member of the Company entitled to attend and vote at a meeting convened by the above notice is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
2. In order to be valid, the form of proxy together with the power of attorney or other authority (if any) under which it is signed, or a certified copy of that power of attorney or authority, must be deposited at the Company's principal place of business in Hong Kong at Suite No. 1, 10th Floor, Sino Plaza, 255-257 Gloucester Road, Causeway Bay Hong Kong not less than 48 hours before the time appointed for the holding of the AGM.
3. In the case of joint holders of any Share, any one of such holders may vote at the AGM, 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 are present at the AGM, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Company's register of members in respect of the joint holding.
4. The Company's register of members will be closed from Monday 9 August 2004 to Friday 13 August 2004, both days inclusive, during which period no transfer of Shares can be registered. In order to qualify for attendance at the AGM and the proposed final dividend, all transfers of Shares accompanied by the relevant share certificates and the appropriate share transfer forms must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on 6 August 2004.