

Notice of annual general meeting

Notice is hereby given that the Annual General Meeting (“**AGM**”) of Norstar Founders Group Limited (the “**Company**”) will be held at 10:00 a.m, on Friday, 19 August 2005 at 16/F, Tower II, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong for the purpose of transacting the following business:

- (1) To receive and adopt the audited accounts of the Company for the year ended 31 March 2005 and the reports of the Company’s directors and auditors thereon;
- (2) To declare a final dividend HK\$0.045 per share for the year ended 31 March 2005;
- (3) To re-elect the following retiring directors:
 - (a) Choi Tat Ying, Jacky as independent non-executive director;
 - (b) Wu Chao Ying as independent non-executive director;
 - (c) Zhang Xin, Cindy as independent non-executive director;
- (4) To determine the directors’ fee and as special business to consider and, if thought fit, pass the following resolution as an Ordinary Resolution:

“**That** the remuneration of each independent non-executive director shall be fixed at HK\$100,000 for the year ended 31 March 2006 and each subsequent financial year until the Company in general meeting otherwise determines.”;
- (5) To re-appoint RSM Nelson Wheeler as auditors of the Company and authorise the directors of the Company to fix their remuneration for the year ended 31 March 2006;

As special business to consider and, if though fit, pass with or without modification the following Resolutions as Ordinary Resolutions:

Ordinary resolutions

- (6) “**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% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution 6, and the said approval shall be limited accordingly; and
 - (c) for the purpose 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.”

(7) **“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% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution 7; and
- (d) for the purposes of this Resolution 7, “Relevant Period” means the period from the passing of this Resolution 7 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 7 by an ordinary resolution of the Shareholders in general meeting.

- (8) **“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 7 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 6 above, provided that such extended amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this Resolution 8.”
- (9) As special business to amend the Company’s Articles of Association by passing the following Resolution as Special Resolution:

Special resolution

“That the Articles of Association be and are hereby amended as follows:

- (a) by adding the wording “a poll is required under the rules of any stock exchange in the Relevant Territory or” in the existing Article 72 immediately after the wording “At any general meeting a resolution put to vote of meeting shall be decided on show of hands, unless”;

- (b) by deleting the wording “Unless a poll is so demanded and” in the existing Article 73 and substituting therefor the following:

“Unless a poll is so required under the rules of any stock exchange in the Relevant Territory or so demanded and, in the latter case, and the demand is”;

- (c) by deleting the wording “If a poll is demanded as aforesaid, it shall (subject as provided in Article 75) be taken in such manner (including the use of ballot or voting papers or tickets) and at such time and place, not being more than thirty (30) days from the date of the meeting or adjourned meeting at which the poll was demanded, as the Chairman of the meeting directs. No notice need be given of a poll not taken immediately. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.” in existing Article 74 and substituting therefor the following wording:

“If a poll is so required under the rules of any stock exchange in the Relevant Territory or is demanded as aforesaid, it shall (subject as provided in Article 75) be taken in such manner (including the use of ballot or voting papers or tickets) and at such time and place, not being more than thirty (30) days from the date of the meeting or adjourned meeting at which the poll was so required or demanded, as the Chairman of the meeting directs. No notice need be given of a poll not taken immediately. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was so required or demanded.”;

- (d) by deleting the existing Article 75 in its entirety and replacing therefor the following Article:

“A poll so required or duly demanded on the election of a Chairman of a meeting or on a question of adjournment shall be taken forthwith at the meeting and without adjournment. A poll so required or demanded on any other question shall be taken at such time (being not later than thirty (30) days after the date of the demand) and place as the Chairman of the meeting directs.”;

- (e) by deleting the existing Article 77 in its entirety and replacing therefor the following Article:

“The requirement for a poll under the rules of any stock exchange in the Relevant Territory or the demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been required or demanded.”;

- (f) by deleting the existing Article 108(A) in its entirety and replacing therefor the following Article:

“Notwithstanding any other provisions in these Articles, at each annual general meeting, one-third of the directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office such that each director (including those appointed for a specific term) will be subject to retirement by rotation at least once every three years at the annual general meeting, provide always that any director appointed pursuant to Article 111 and Article 112 shall not be taken into account in determining the directors who are to retire by rotation at such meeting. A retiring director shall be eligible for re-election. The Company at the general meeting at which a director retires may fill the vacated office.”;

- (g) by deleting the existing Article 111 in its entirety and replacing therefor the following Article:

“The Company may from time to time in general meeting by Ordinary Resolution elect any person to be a director either to fill a casual vacancy or as an addition to the Board. Any director so appointed shall hold office until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to the Board), and shall then be eligible for re-election at the meeting. The directors to retire at the annual general meeting pursuant to this Article 111 shall not be taken into account in determining the directors or the number of directors who are to retire by rotation at the annual general meeting.”;

(h) by deleting the existing Article 112 in its entirety and replacing therefor the following Article:

“The Board shall have power from time to time and at any time to appoint any person as a director either to fill a casual vacancy or as an addition to the Board but so that the number of directors so appointed shall not exceed the maximum number determined from time to time by the shareholders in general meeting. Any director so appointed shall hold office until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to the Board), and shall then be eligible for re-election at the meeting. The directors to retire at the annual general meeting pursuant to this Article 112 shall not be taken into account in determining the directors or the number of directors who are to retire by rotation at the annual general meeting.”.

By Order of the Board

Fung Ka Wai, Elina

Company Secretary

Hong Kong, 15 June 2005

Notes:

- (1) A form of proxy for use at the AGM is enclosed.
- (2) 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.
- (3) 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 16/F, Tower II, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong not less than 48 hours before the time appointed for the holding of the AGM.
- (4) 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.
- (5) The Company's register of members will be closed from 18 July 2005 to 20 July 2005, both days inclusive, during which period no transfer of shares can be registered. In order to qualify for the final dividend and attendance at the AGM, 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 Shop 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on 15 July 2005.

The Directors of the Company as at the date of this annual report are as follows:

Ms. Lilly Huang	Executive Director and Chairman
Mr. Zhou Tian Bao	Executive Director, Managing Director & CEO
Ms. Zhang Zhen Juan	Executive Director
Mr. Lee Cheuk Yin, Dannis	Executive Director
Mr. Yang Bin	Executive Director
Mr. Choi Tat Ying, Jacky	Independent Non-Executive Director
Mr. Wu Chao Ying	Independent Non-Executive Director
Ms. Zhang Xin, Cindy	Independent Non-Executive Director