

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Norstar Founders Group Limited (the “**Company**”) will be held at 10:00 a.m. on Friday, 1 September 2006 at Fuji Room, Pacific Place Conference Centre, 5/F, One Pacific Place, 88 Queensway, Hong Kong for the purpose of transacting the following business:

Ordinary Resolutions

- (1) To receive and adopt the audited accounts of the Company for the year ended 31 March 2006 and the reports of the Company’s directors and auditors thereon;
- (2) To declare a final dividend HK\$0.057 per share for the year ended 31 March 2006;
- (3) To re-elect the following retiring directors:
 - (a) Lilly Huang as executive director,
 - (b) Zhou Tian Bao as executive director,
 - (c) Zhang Zhen Juan as executive director,
 - (d) Yang Bin as executive director,
 - (e) Dai Wei as executive director,
 - (f) Chen Xiang Dong as executive director,
 - (g) Lee Cheuk Yin, Dannis as non-executive director,
 - (h) Zhang Jian Chun as independent non-executive director;
- (4) 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 2007;
- (5) As special business to consider and, if though fit, pass with or without modification the following resolution as ordinary resolution:

“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 of the Company on The Stock Exchange of Hong Kong Limited 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 5, and the said approval shall be limited accordingly; and

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- (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.”
- (6) As special business to consider and, if though fit, pass with or without modification the following resolution as ordinary resolution:

“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, otherwise than (i) a Right Issue (as hereafter defined) or (ii) the exercise of rights of subscription or conversion under the terms of any existing warrants, bonds, debentures, notes or other securities issued by the Company which carry rights to subscribe for or are convertible into shares of the Company or (iii) an issues of shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to the employees of the Company and/or any of its subsidiaries or any other eligible person(s) of shares or right to acquire shares of the Company or (iv) an issue of shares as scrip dividend pursuant to the Articles of Association, from time to time 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 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.

“Rights Issue” means an offer of shares or issue of options, warrants or other securities giving the right to subscribe for shares of the Company open for a period fixed by the directors of the Company (and, where appropriate, to holders of other securities of the Company entitled to the offer) on the register on a fixed record date in proportion to their then holdings of such shares of the Company (or, where appropriate such other securities) as at that date (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company)”.

(7) As special business to consider and, if though fit, pass with or without modification the following resolution as ordinary resolution:

“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% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this Resolution 7.”

Special Resolution

(8) As special business to consider and, if though fit, pass with or without modification the following resolution as special resolution:

“**THAT** the Articles of Association of the Company be and are hereby amended in the following manner:

(a) by deleting the existing Article 105(vii) in its entirety and replacing therefor the following Article:

“if he shall be removed from office by an Ordinary Resolution of the members of the Company under Articles 114.”;

(b) by deleting the existing Article 114 in its entirety and replacing therefor the following Article:

“The Company may by Ordinary Resolution at any time remove any Director (including a Managing Director or other Executive Director) before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company) and may elect another person in his stead. Any person so elected shall hold office during such time only as the Director in whose place he is elected would have held the same if he had not been removed.”

By Order of the Board

Norstar Founders Group Limited

Fung Ka Wai, Elina

Company Secretary

Hong Kong, 7 July 2006

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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 14 August 2006 to 16 August 2006, 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 11 August 2006.

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

Ms. Lilly Huang	Executive Director and Chairman
Mr. Zhou Tian Bao	Executive Director and Chief Executive Officer
Ms. Zhang Zhen Juan	Executive Director
Mr. Yang Bin	Executive Director
Mr. Dai Wei	Executive Director
Mr. Chen Xiang Dong	Executive Director
Mr. Lee Cheuk Yin, Dannis	Non-Executive Director
Mr. Choi Tat Ying, Jacky	Independent Non-Executive Director
Ms. Zhang Xin, Cindy	Independent Non-Executive Director
Mr. Zhang Jian Chun	Independent Non-Executive Director