

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

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

**If you have sold** all your shares in United Power Investment Limited you should at once hand this circular together with the accompanying form of proxy to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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**UNITED POWER INVESTMENT LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 674)**

**REFRESHMENT OF GENERAL MANDATE TO ISSUE SHARES**

**INDEPENDENT FINANCIAL ADVISER  
TO THE INDEPENDENT BOARD COMMITTEE AND INDEPENDENT SHAREHOLDERS**

 **Baron Capital Limited**

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A notice convening a special general meeting of United Power Investment Limited to be held at 3:30 p.m. on 24th June, 2005 at Golden Island Bird's Nest Chiu Chau Restaurant, 2nd Floor, East Wing, Star House, 3 Salisbury Road, Tsimshatsui, Kowloon, Hong Kong is set out on pages 10 and 11 of this circular. Whether or not you are able to attend the meeting, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event by no later than 48 hours before the time appointed for the holding of the meeting. Completion and delivery of the form of proxy shall not preclude you from attending and voting at the meeting or any adjournment thereof should you so wish.

9th June, 2005

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## DEFINITIONS

*In this circular, the following expressions have the following meanings unless the context requires otherwise:*

“associate”	has the meaning ascribed to it under the Listing Rules
“Baron”	Baron Capital Limited, which is a licensed corporation under the SFO permitted to carry out types 1 and 6 regulated activities (as defined in the SFO) and the independent financial adviser to the Independent Board Committee and the Independent Shareholders
“Board”	board of Directors
“Company”	United Power Investment Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent committee of the Board comprising Messrs. Chan Lai Mei, Lee Wai Loun and Lee Yuk Sang, Angus, formed for the purpose of advising the Independent Shareholders regarding the New Mandate
“Independent Shareholders”	shareholders of the Company other than Major Shareholder and its associates
“Latest Practicable Date”	7th June, 2005, being the latest practicable date prior to printing of this circular for ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Major Shareholder”	World Possession Assets Limited, a company incorporated in the British Virgin Islands with limited liability and is beneficially owned by Madam Ma Shuk Kam, Mr. Yeung Chi Hang and Ms. Yeung Kit Yu, Kitty in equal shares
“New Mandate”	the new general mandate to be granted to the Directors to issue up to 20 per cent. of the issued share capital of the Company as at the date of passing of the relevant resolution

## DEFINITIONS

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“SGM”	the special general meeting of the Company to be held at Golden Island Bird’s Nest Chiu Chau Restaurant, 2nd Floor, East Wing, Star House, 3 Salisbury Road, Tsimshatsui, Kowloon, Hong Kong at 3:30 p.m. on 24th June, 2005, notice of which is set out on pages 10 and 11 of this circular
“Share(s)”	share(s) of \$0.05 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“\$” and “cent(s)”	Hong Kong dollar(s) and cent(s) respectively

## LETTER FROM THE BOARD



### UNITED POWER INVESTMENT LIMITED

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 674)**

**Directors:**

Yeung Chi Hang (*Chairman*)  
Ma Shuk Kam  
Liu Yu Mo (*Chief Executive Officer*)  
Yeung Kit Yu, Kitty  
Au Edmond Wah  
Chung Siu Wah  
Chik To Pan  
Chan Lai Mei\*  
Lee Wai Loun\*  
Lee Yuk Sang, Angus\*

**Principal Office:**

2810-11, 28th Floor  
Shun Tak Centre  
West Tower  
200 Connaught Road Centre  
Hong Kong

\* *Independent non-executive directors*

9th June, 2005

*To the shareholders*

Dear Sir or Madam,

#### REFRESHMENT OF GENERAL MANDATE TO ISSUE SHARES

#### INTRODUCTION

It is proposed to refresh the general mandate granted to the Directors to issue Shares. The purpose of this circular is to give you further details of proposed grant of the New Mandate and to convene a special general meeting to consider and, if thought fit, approve the New Mandate.

An independent board committee comprising Messrs. Chan Lai Mei, Lee Wai Loun and Lee Yuk Sang, Angus (all being independent-non-executive Directors), has been appointed to advise the Independent Shareholders in respect of the granting of the New Mandate. The Company has appointed Baron as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

#### NEW MANDATE

At the annual general meeting of the Company held on 25th August, 2004 (the "AGM"), shareholders of the Company granted a general mandate to the Directors to issue up to 219,176,800 Shares, representing 20 per cent. of the then issued share capital of the Company. On 25th May, 2005, such

## **LETTER FROM THE BOARD**

general mandate was fully utilised. It is proposed to grant the New Mandate to the Directors to allot, issue and dispose of shares of the Company not exceeding 20 per cent. of the issued share capital of the Company in issue as at the date of the relevant resolution. As at the Latest Practicable Date, the Company had 1,315,060,800 issued Shares. On the basis that no Shares would be issued and/or repurchased by the Company from the Latest Practicable Date up to the SGM, the Company would be allowed to allot, issue and deal with up to 263,012,160 Shares under the New Mandate.

The Directors consider the New Mandate will provide flexibility to the Company to raise fund and enhance the Company's ability in making future investments or acquisitions as decisions may have to be made within a short time. The New Mandate would allow the Company to allot and issue new Shares to raise capital efficiently through placing of Shares or as consideration for potential investments or acquisitions, if suitable opportunities arise. The fund which may be raised under the New Mandate provides the Company with more option of financing when assessing and negotiating potential investments or acquisitions.

The Company has not refreshed the general mandate to issue shares since the AGM. On 25th May, 2005, the Company completed the issue of 219,176,800 Shares to the Major Shareholder pursuant to a top up placing entered into on 11th May, 2005 and announced on 12th May, 2005. The net proceeds of about \$128.4 million will be used as working capital to strength the cash position of the Company to enable it to acquire assets when suitable opportunities arise, including the possible acquisition of two Macau hotel projects and a minor interest in a casino operator in Macau from associates of Mr. Yeung Chi Hang, the Chairman of the Company. The Company is asking the potential vendor for relevant documents and information. However negotiation has not started on the terms of the proposed acquisition. The net proceeds of the placing is currently deposited in a bank in Hong Kong.

### **SPECIAL GENERAL MEETING**

You will find on pages 10 and 11 of this circular a notice of the SGM to be held at 3:30 p.m. on 24th June, 2005 at Golden Island Bird's Nest Chiu Chau Restaurant, 2nd Floor, East Wing, Star House, 3 Salisbury Road, Tsimshatsui, Kowloon, Hong Kong at which an ordinary resolution will be proposed to approve the New Mandate, voting of which will be taken on a poll.

There is enclosed a form of proxy for use at the SGM. You are requested to complete the form of proxy and return it to the principal office of the Company in accordance with the instructions printed thereon not less than 48 hours before the time fixed for holding the meeting, whether or not you intend to be present at the meeting. The completion and return of the form of proxy will not prevent you from attending and voting in person should you so wish.

As at the Latest Practicable Date, to the extent that the Company is aware having made all reasonable enquiries, the Major Shareholder (a controlling shareholder within the meaning of the Listing Rules) and its associates had beneficial interests in a total of 587,322,207 Shares (representing about 44.66 per cent. of the issued share capital of the Company). They will be required to abstain from voting in respect of the resolution for the grant of the New Mandate at the SGM pursuant to Rule 13.36(4)(a) of the Listing Rules.

### **GENERAL**

The Directors consider the terms of the New Mandate are fair and reasonable and the granting of the New Mandate is in the interests of the Company and its shareholders as a whole. The Directors have no present intention to utilize the New Mandate.

## LETTER FROM THE BOARD

You are advised to read carefully the letters from the Independent Board Committee and Baron respectively as contained in this circular before deciding whether or not to vote in favour of the resolution to be proposed at the SGM to approve the New Mandate.

Yours faithfully,  
**Liu Yu Mo**  
*Chief Executive Officer*

**LETTER FROM THE INDEPENDENT BOARD COMMITTEE**



**UNITED POWER INVESTMENT LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 674)**

9th June, 2005

*To the Independent Shareholders*

Dear Sir or Madam,

**REFRESHMENT OF GENERAL MANDATE TO ISSUE SHARES**

We refer to the documents dated 9th June, 2005 issued by the Company (the “Circular”), of which this letter forms part. Terms defined in the Circular shall bear the same meanings when used herein unless the context requires otherwise.

We have been appointed to constitute the Independent Board Committee to consider the New Mandate and Baron has been appointed as the financial adviser to advise us in this respect.

Your attention is drawn to the letter from the Board and the letter from Baron containing its advice to us as set out in the Circular respectively.

Taking into account the advice from Baron, we consider that the terms of the New Mandate are fair and reasonable in so far as the Independent Shareholders are concerned and the granting of the New Mandate is in the interests of the Company and its shareholders as a whole, and so recommend the Independent Shareholders to vote for the resolution to be proposed at the SGM.

Yours faithfully,

**Chan Lai Mei**

**Lee Wai Loun**

**Lee Yuk Sang, Angus**

*Independent Board Committee*

## LETTER FROM BARON

*The following is the text of the letter of advice from Baron to the Independent Board Committee and the Independent Shareholders for inclusion in this circular.*



4/F, Aon China Building  
29 Queen's Road Central  
Central, Hong Kong

9th June, 2005

*To the Independent Board Committee  
and the Independent Shareholders*

Dear Sirs,

### **PROPOSED REFRESHMENT OF GENERAL MANDATE TO ISSUE SHARES**

#### **INTRODUCTION**

We refer to our engagement under which Baron has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the granting of the New Mandate, details of which are contained in the letter from the Board (the "Letter from the Board") set out on pages 1 to 3 of the circular of the Company dated 9th June, 2005 (the "Circular"), of which this letter forms part. Terms defined in the Circular have the same meaning herein unless the context requires otherwise.

Pursuant to the Listing Rules, the granting of the New Mandate is subject to the approval of the Independent Shareholders in the SGM, voting by way of poll. Accordingly, the Independent Board Committee has been established to advise whether the terms of the New Mandate are fair and reasonable and whether the granting of the New Mandate is in the interests of the Company and its shareholders as a whole. Baron has been appointed to advise the Independent Board Committee and the Independent Shareholders in this respect.

#### **BASIS OF OUR ADVICE**

In arriving at our opinion and recommendation, we have relied on the information supplied and the opinion expressed by the Directors and the management of the Company. We have assumed that the information contained and representations made to us or referred to in the Circular are true, accurate and complete at the time they were made and continue to be so at the date of the Circular.

We consider that we have been provided with sufficient information on which to form a reasonable basis for our opinion. We have no reason to suspect that any relevant information has been withheld, nor are we aware of any fact or circumstance which would render the information provided and representations and opinions made to us untrue, inaccurate or misleading.

## LETTER FROM BARON

Having made all reasonable enquiries, the Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and further confirmed that, to the best of their knowledge, they believe there are no other facts or representations the omission of which would make any statement in the Circular, including this letter, misleading.

We have not, however, carried out any independent verification of the information provided by the Directors and the management of the Company, nor have we conducted an independent investigation into the business and affairs of the Company, nor have we considered the taxation implication on the Group or the shareholders of the Company as a result of the granting of the New Mandate.

### **PRINCIPAL FACTORS AND REASONS CONSIDERED**

In formulating our opinion on the granting of the New Mandate, we have taken the following principal factors and reasons into consideration:

#### **Background**

The Company is an investment holding company and its subsidiaries are principally engaged in restaurant operations, property investment and wedding services business.

At the annual general meeting of the Company held on 25th August, 2004 (“AGM”), a general mandate (“Existing Mandate”) was given to the Directors to allot, issue and deal with the unissued Shares not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the relevant ordinary resolution.

Reference is made to the announcement of the Company dated 12th May, 2005 in relation to a top-up placing exercise pursuant to which 219,176,800 new Shares were issued and allotted pursuant to the Existing Mandate. The Existing Mandate was fully utilized as a result of the aforementioned placement.

Given that the Existing Mandate has been fully utilized, the Directors propose to seek the approval of the Independent Shareholders at the SGM for the granting of the New Mandate so that the Directors would be granted the authority to allot and issue new Shares not exceeding 20% of the issued share capital of the Company as at the date of passing of the relevant resolution. The Directors consider that the granting of the New Mandate will help to maintain the financial flexibility of the Company for its future business development.

Pursuant to Rule 13.36(4)(a) of the Listing Rules, the New Mandate requires the approval of the Independent Shareholders at the SGM voting by way of poll. The Major Shareholder and its associates will accordingly be required to abstain from voting on the relevant resolution in relation to the granting of the New Mandate.

As at the Latest Practicable Date, the Company had an aggregate of 1,315,060,800 Shares in issue. On the basis that no further Shares are issued and/or repurchased by the Company between the Latest Practicable Date and the date of the SGM, the Company would be allowed under the New Mandate to allot, issue and deal with up to 263,012,160 Shares.

## LETTER FROM BARON

### **Fund raising activities of the Company and history of refreshment of general mandates since the AGM held on 25th August, 2004**

The Company has not refreshed the general mandate since the AGM. The following table summarizes the capital raising activities of the Company in the past twelve months:

Date of announcement	Date of agreement	Nature of transaction	Amount of fund raised	Number of Shares issued from the activity	Intended use of proceeds	Use of proceeds according to the intended use	Use of proceeds other than the intended use
12th May, 2005	11th May, 2005	Top-up placement of Shares under the general mandate granted in the AGM	Approximately \$128.4 million	219,176,800 Shares	Working capital and enable the Company to acquire assets when suitable opportunities arise, including the possible acquisitions of two Macau hotel projects and minor interest in a casino operator in Macau	Working capital (currently deposited with a bank in Hong Kong)	Not applicable

### **Financial flexibility**

The Directors believed that the granting of the New Mandate will provide the Company with additional flexibility in deciding the source of finance for any acquisition opportunities that may arise in the future and for the purpose of raising general working capital for the Group.

We consider that the granting of the New Mandate could enhance the financing flexibility of the Company to raise capital and to strengthen the capital base of the Group, if and when required, through placing of Shares for further development of the Group. In addition, the Directors consider that if investment or acquisition opportunities arise, decisions may have to be made within a short period of time. The New Mandate would provide the Group with the maximum flexibility as allowed under the Listing Rules to allot and issue new Shares to raise capital through placing of Shares or as consideration for such potential investments and/or acquisitions in the future as and when such opportunities arise. The increased amount of capital which may be raised under the New Mandate provides more option of financing to the Group when assessing and negotiating potential acquisitions in a timely manner.

### **Other financing alternatives**

Other than raising fund by way of issuing of equity capital, the Directors will consider other financing methods such as bank financing, debt financing and funding through internal resources in order to meet its financing requirements arising from future development of the Group, depending on the then financial position, capital structure and cost of funding to the Group and the then market condition. As advised by

## LETTER FROM BARON

the Directors, the New Mandate provide another alternative to the Directors to finance the Group's businesses and the Directors will use the method which serves the best interest of the Group. We consider that it is a sensible consideration to make reference to the then financial position of the Group in order to decide on a financing method for the future development of the Group.

### Potential dilution to shareholding of the Independent Shareholders

We set out below a table illustrating the shareholding structures of the Company as at the Latest Practicable Date and, for illustrative purpose, the respective shareholding structures of the Company upon full utilisation of the New Mandate:

	<b>Issued Shares as at the Latest Practicable Date</b>		<b>Issued Shares with full utilisation of the New Mandate</b>	
	<i>(No. of Shares)</i>	%	<i>(No. of Shares)</i>	%
World Possession Assets Limited ( <i>note 1</i> )	587,322,207	44.66	587,322,207	37.22
Liu Yu Mo ( <i>note 2</i> )	24,000	0.002	24,000	0.002
Public Shareholders	727,714,593	55.34	727,714,593	46.11
Shares which may be issued under the New Mandate			263,012,160	16.67
<b>Total</b>	<b>1,315,060,800</b>	<b>100</b>	<b>1,578,072,960</b>	<b>100</b>

*Note 1: World Possession Assets Limited is beneficially owned by Ms. Ma Shuk Kam, Mr. Yeung Chi Hang and Ms. Yeung Kit Yu, Kitty, all executive Director*

*Note 2: Mr. Liu Yu Mo is the chief executive officer of the Company and an executive Director*

Upon full utilization of the New Mandate, 263,012,160 Shares will be issued, representing 20% and 16.67% of the existing share capital and the enlarged issued share capital (increased by the New Mandate) of the Company, respectively.

The aggregate shareholding of the existing public shareholders will decrease from approximately 55.34% to approximately 46.11% upon full utilization of the New Mandate. There will be a potential maximum dilution of approximately 9.23% with full utilisation of the New Mandate. Taking into account that the granting of the New Mandate will increase the amount of capital which may be raised under the New Mandate and provide more options of financing to the Group for further development of its business as well as in other potential future acquisitions as and when such opportunities arise and the fact that the shareholding of all the Shareholders will be diluted to the same extent upon any utilization of the New Mandate, we consider such dilution or potential dilution to shareholding of the Independent Shareholders acceptable.

## LETTER FROM BARON

### RECOMMENDATION

Having considered the above principal factors and reasons, we are of the opinion that the granting of the New Mandate is in the interests of the Company and its shareholders as a whole, and is fair and reasonable as far as the Independent Shareholders are concerned. Accordingly, we advise the Independent Board Committee to make recommendation to the Independent Shareholders to vote in favour of the ordinary resolution in relation to the granting of the New Mandate at the SGM.

Yours faithfully,  
For and on behalf of  
**Baron Capital Limited**  
**Thomas Chiu**  
*Managing Director*

## NOTICE OF SPECIAL GENERAL MEETING



### UNITED POWER INVESTMENT LIMITED

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 674)**

**NOTICE IS HEREBY GIVEN** that a special general meeting of the abovementioned company (the “Company”) will be held at Golden Island Bird’s Nest Chiu Chau Restaurant, 2nd Floor, East Wing, Star House, 3 Salisbury Road, Tsimshatsui, Kowloon, Hong Kong on 24th June, 2005 at 3:30 p.m. for the purpose of considering and, if thought fit, passing the following resolution as an ordinary resolution:

#### ORDINARY RESOLUTION

“**THAT:**

- (a) subject to paragraph (c) of this resolution, the exercise by the directors of the Company during the Relevant Period of all powers of the Company to allot shares and to make and grant offers, agreements and options which would or might require shares to be allotted be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall authorise the directors of the Company during the Relevant Period to make and grant offers, agreements and options which would or might require shares to be allotted 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 directors of the Company pursuant to the approval in paragraph (a), otherwise than pursuant to shares issued as a result of a Rights Issue or a scrip dividend scheme or similar arrangement of the Company or the exercise of the subscription rights under the share option scheme of the Company, shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue and the said approval shall be limited accordingly;
- (d) for the purpose 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 Bye-laws of the Company or any applicable law 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

## NOTICE OF SPECIAL GENERAL MEETING

“Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to holders of shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the directors of the Company 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).”

By Order of the Board  
**Jennifer Cheung Mei Ha**  
*Company Secretary*

Hong Kong, 9th June, 2005

**Principal Office:**

2810-11, 28th Floor  
Shun Tak Centre  
West Tower  
200 Connaught Road Centre  
Hong Kong

*Notes:*

1. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint more than one proxy to attend and vote in his stead. A proxy need not be a member of the Company.
2. In order to be valid, a form of proxy must be deposited at the Company’s principal office together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority, not less than 48 hours before the time for holding the meeting or adjourned meeting.