

## IMPORTANT

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### **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*

28th July, 2005

*To the shareholders*

Dear Sir or Madam,

#### **GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES AND AMENDMENT OF BYE-LAWS**

#### **INTRODUCTION**

At the annual general meeting of United Power Investment Limited (the “Company”) for the year ended 31st March, 2005, resolutions will be proposed to grant to the directors of the Company general mandates to issue shares and repurchase shares of the Company and to amend the Bye-laws of the Company.

The purpose of this circular is to give you further details of the abovementioned proposals. This circular also contains the explanatory statement in compliance with the Listing Rules of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and gives all the information reasonably necessary to enable shareholders to make an informed decision on whether to vote for or against the resolution to approve the purchase by the Company of its own shares.

## **GENERAL MANDATE TO ISSUE SHARES**

At the annual general meeting of the Company to be held on 28th September, 2005 (“AGM”) an ordinary resolution will be proposed to grant a general mandate to the directors of the Company to allot, issue and dispose of shares of the Company not exceeding 20 per cent. of the issued share capital of the Company to provide flexibility to the Company to raise fund by issue of shares efficiently.

## **GENERAL MANDATE TO REPURCHASE SHARES**

At the AGM, an ordinary resolution will also be proposed that the directors be given a general mandate to exercise all powers of the Company to repurchase issued and fully paid shares of the Company. Under such mandate, the number of shares that the Company may repurchase shall not exceed 10 per cent. of the share capital of the Company in issue on the date of the resolution. The Company’s authority is restricted to purchases made on the Stock Exchange in accordance with the Listing Rules of the Stock Exchange. On 22nd July, 2005 (the “Latest Practicable Date”), being the latest practicable date prior to printing of this circular, there were in issue an aggregate of 1,315,060,800 shares of HK\$0.05 each of the Company (“Shares”). Exercise in full of the mandate, on the basis that no further Shares are issued prior to the date of the AGM, could accordingly result in up to 131,506,080 Shares being repurchased by the Company. The mandate allows the Company to make or agree to make purchases only during the period ending on the earliest of the date of the next annual general meeting, the date by which the next annual general meeting of the Company is required to be held by law or the date upon which such authority is revoked or varied by an ordinary resolution of the shareholders in a general meeting of the Company.

The directors have no present intention to repurchase any Shares but consider that the mandate will provide the Company the flexibility to make such repurchase when appropriate and beneficial to the Company. Such repurchases may enhance the net value of the Company and/or earnings per Share. As compared with the financial position of the Company and its subsidiaries (the “Group”) as at 31st March, 2005 (being the date of its latest audited accounts), the directors consider that there would be a material adverse impact on the working capital and on the gearing position of the Company in the event that the proposed purchases were to be carried out in full during the proposed purchase period. No purchase would be made in circumstances that would have a material adverse impact on the working capital or gearing ratio of the Company.

The Company is empowered by its Memorandum of Association and Bye-laws to purchase its Shares. Bermuda law provides that the amount of capital repaid in connection with a share repurchase may only be paid out of either the capital paid up on the relevant shares, or funds of the Company that would otherwise be available for dividend or distribution or the proceeds of a new issue of shares made for such purpose. The amount of premium payable on repurchase may only be paid out of either the funds of the Company that would otherwise be available for dividend or distribution or out of the share premium or contributed surplus accounts of the Company. Under Bermuda law, the shares so repurchased will be treated as cancelled but the aggregate amount of authorised share capital will not be reduced.

The directors intend to apply the capital paid up on the relevant Shares or the profit that would otherwise be available for distribution by way of dividend for any purchase of its Shares.

## **Directors, their associates and connected persons**

None of the directors nor, to the best of the knowledge and belief of the directors having made all reasonable enquiries, any of the associates of any of the directors has any present intention, in the event that the proposal is approved by shareholders, to sell Shares to the Company.

No connected person of the Company (as defined in the Listing Rules of the Stock Exchange) has notified the Company that he/she has a present intention to sell Shares to the Company nor has he/she undertaken not to sell any of the Shares held by him/her to the Company in the event that the Company is authorised to make purchases of Shares.

### **Undertaking of the directors**

The directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases pursuant to the proposed resolution in accordance with the Listing Rules of the Stock Exchange and all applicable laws of Bermuda, and in accordance with the regulations set out in the Memorandum of Association and Bye-laws of the Company.

### **Effect of Takeovers Code**

A repurchase of Shares by the Company may result in an increase in the proportionate interest of a substantial shareholder of the Company in the voting rights of the Company, which could give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Hong Kong Code on Takeovers and Mergers (the “Code”).

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, World Possession Assets Limited (“World Possession”), who held approximately 44.66 per cent. of the issued share capital of the Company, was the only substantial shareholder holding more than 10 per cent. of the issued share capital of the Company. In the event that the directors should exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the resolution, the shareholding of World Possession in the Company would be increased to approximately 49.62 per cent. of the issued share capital of the Company and such increase would give rise to an obligation on it to make a mandatory offer under Rule 26 of the Code.

### **Stock Exchange Rules for repurchases of shares**

The Listing Rules of the Stock Exchange permit companies whose primary listings are on the Stock Exchange to repurchase their shares on the Stock Exchange subject to certain restrictions, the most important of which are summarised below:

#### **(a) Shareholders’ approval**

The Listing Rules provide that all shares repurchases on the Stock Exchange by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, which may be by way of general mandate, or by special resolution in relation to specific transactions.

#### **(b) Source of funds**

Repurchases must be funded out of funds legally available for the purpose.

### **General**

During each of the six months preceding the date of this circular, no Shares have been repurchased by the Company.

During each of the previous 12 months, the highest and lowest traded prices for Shares on the Stock Exchange were as follows: –

<b>Month</b>	<b>Per Share</b>	
	<b>Highest HK\$</b>	<b>Lowest HK\$</b>
<i>2004</i>		
July	0.170	0.150
August	0.168	0.140
September	0.215	0.140
October	0.430	0.180
November	0.710	0.285
December	0.610	0.430
<i>2005</i>		
January	0.730	0.325
February	0.350	0.255
March	0.710	0.280
April	0.670	0.465
May	0.830	0.490
June	0.760	0.650
Latest Practicable Date	0.620	0.610

#### **AMENDMENT OF BYE-LAWS**

It is proposed to amend Bye-law 87(2) of the Company's Bye-laws in order to comply with the new requirements in paragraph A.4.2 of Appendix 14 of the Listing Rules to the effect that all directors of the Company shall be subject to retirement by rotation at least once every three years.

#### **ANNUAL GENERAL MEETING**

You will find on pages 8 to 10 of this circular a notice of the AGM to be held at 3:30 p.m. on 28th September, 2005 at Golden Island Bird's Nest Chiu Chau Restaurant, 2nd Floor, East Wing, Star House, 3 Salisbury Road, Tsimshatsui, Kowloon, Hong Kong.

Resolution no. 4A will be proposed as an ordinary resolution to give a general mandate to the directors to allot, issue and deal with shares of the Company with an aggregate nominal value not exceeding 20 per cent. of the share capital of the Company in issue as at the date of the resolution.

Resolution no. 4B will be proposed as an ordinary resolution to give a general mandate to the directors to make on-market purchases of shares of the Company of up to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of the resolution.

Resolution no. 4C will be proposed as an ordinary resolution to extend resolution no. 4A to include the aggregate nominal amount of the number of shares in the capital of the Company which are repurchased by the Company under the authority granted to the directors pursuant to resolution no. 4B.

Resolution no. 4D will be proposed as a special resolution to approve the proposed amendment of the Bye-laws of the Company.

There is enclosed a form of proxy for use at the AGM. 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.

According to the Bye-laws of the Company, on or before the chairman of the meeting has declared the result of voting on a show of hands on a resolution at the AGM, a poll may be demanded by:

- (a) at least three members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy entitled to vote at the meeting; or
- (b) any 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 representing not less than 10 per cent. of the total voting rights of all the members having the right to vote at the meeting; or
- (c) any 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 the shares conferring that right.

## **RE-ELECTION OF DIRECTORS**

Resolutions will be proposed at the AGM for re-election of Messrs. Yeung Kit Yu, Kitty, Au Edmond Wah, Chung Siu Wah, Chik To Pan, Chan Lai Mei, Lee Wai Loun and Lee Yuk Sang, Angus as directors according to the Company's Bye-laws. Their particulars are as follows:

Ms. Yeung Kit Yu, Kitty, aged 24, an executive director of the Company, obtained a bachelor's degree of Arts in Asian Studies from the University of British Columbia, Canada. Ms. Yeung is also an assistant general manager of a wholly owned subsidiary of the Company, Golden Island (Management) Limited ("GI Management"). She is the daughter of Ms. Ma Shuk Kam (an executive director of the Company) and the sister of Mr. Yeung Chi Hang (an executive director and the chairman of the Company). Ms. Yeung has 1/3 interest in World Possession, which holds 587,322,207 Shares. Her monthly salary is HK\$32,800 and she is entitled to a year end bonus which is determined with reference to the results of the Group and her performance.

Mr. Au Edmond Wah, aged 51, an executive director of the Company, has been holding senior management positions in various companies in Hong Kong, China, Canada, Singapore and Macau during the last 25 years. He graduated from Hong Kong Polytechnic (now known as Hong Kong Polytechnic

University) and is a member of The Certified General Accountants Association of Canada. Mr. Au was a director of various major subsidiaries of the Company from January, 2000 to November, 2000. His remuneration is HK\$96,000 per year with effect from 1st May, 2005, which is on the same level as the independent non-executive directors of the Company.

Mr. Chung Siu Wah, aged 48, an executive director of the Company, was appointed as a director of the Company on 28th November, 2001. He has been a solicitor practising in Hong Kong since 1989 and is a consultant of Messrs. Tony Kan and Company, Solicitors and Notaries. His remuneration is HK\$96,000 per year with effect from 1st May, 2005, which is on the same level as the independent non-executive directors of the Company.

Mr. Chik To Pan, age 26, an executive director of the Company, is in charge of business development of the Group's wedding service business. He is also the general manager of GI Management. Before joining Golden Island Catering Group Company Limited in March, 2004, he worked in restaurant and wedding service companies in Hong Kong. His basic monthly salary is HK\$30,000 and he is entitled to a year end bonus which is determined with reference to the results of the Group and his performance.

Ms. Chan Lai Mei, aged 41, an independent non-executive director of the Company, is a director of One One CPA Limited (Certified Public Accountants (Practising)). She has over 16 years' diversified experience in auditing, accounting, corporate governance, financial management and corporate finance activities. Ms. Chan graduated from Hong Kong Polytechnic University (formerly known as Hong Kong Polytechnic). She is a fellow member of Association of Chartered Certified Accountants and an associate member of Hong Kong Institute of Certified Public Accountants, Macau Society of Certified Practising Accountants and Taxation Institute of Hong Kong.

Mr. Lee Wai Loun, aged 69, an independent non-executive director of the Company, is a managing director of Manlex International Co. Ltd., a trading company. He has over 32 years' experience in sales and management in trading and distribution of electronic components, integrated circuit and computer peripherals.

Mr. Lee Yuk Sang, Angus, aged 27, an independent non-executive director of the Company, graduated from Kwantlen University College (Vancouver, Canada). Mr. Lee is a director of Everwin International Ind. Ltd. (a trading company) and Sun Mei Ngai Plastic Co. Ltd. (a manufacturing company). He has over 4 years' experience in sales, marketing, project and factory management and providing consulting services in trading of christmas decoration goods and manufacturing of plastic goods.

Messrs. Au Edmond Wah, Chung Siu Wah, Chik To Pan, Chan Lai Mei, Lee Wai Loun and Lee Yuk Sang, Angus have no relationships with any directors, senior management or substantial or controlling shareholders of the Company and do not have any interests in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

The abovementioned directors do not have any written service contract with the Group and are not appointed for a specific term but are subject to retirement by rotation in annual general meetings of the Company in accordance with the Bye-laws of the Company. The director's fee of each of Messrs. Chan Lai Mei, Lee Wai Loun and Lee Yuk Sang, Angus is currently HK\$8,000 per month, which is determined with reference to the prevailing range of fees for independent non-executive directors of listed companies in Hong Kong.

Save as disclosed above, there is no other matter that need to be brought to the attention of shareholders of the Company.

## **RECOMMENDATION**

The directors consider that the proposed granting of the mandates to issue and repurchase shares of the Company and amendment of the Bye-laws are in the interest of the Company and so recommend you to vote in favour of all resolutions at the AGM. The directors will vote all their shareholdings in favour of the resolutions.

Yours faithfully,  
By order of the Board  
**Liu Yu Mo**  
*Chief Executive Officer*

## NOTICE OF ANNUAL GENERAL MEETING



### UNITED POWER INVESTMENT LIMITED

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 674)**

**NOTICE IS HEREBY GIVEN** that the annual general meeting of the abovenamed 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 28th September, 2005 at 3:30 p.m. for the following purposes:

1. To receive and consider the audited financial statements and the reports of the directors and auditors for the year ended 31st March, 2005.
2. To elect directors and to authorise the board of directors to fix their remuneration.
3. To appoint auditors and to authorise the board of directors to fix their remuneration.
4. As special business, to consider and, if thought fit, pass the following resolutions, of which resolution nos. 4A, 4B and 4C will be proposed as ordinary resolutions and resolution no. 4D will be proposed as a special resolution:

#### ORDINARY RESOLUTIONS

A. “**THAT:**

- (a) subject to paragraph (c), the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such power 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 or grant offers, agreements and options which might require the exercise of such power 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 a Rights Issue or scrip dividend scheme or similar arrangement of the Company or the exercise of the subscription rights under the share option scheme of the Company, or the warrants of the Company, shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of this resolution and the said approval shall be limited accordingly; and

(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 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

“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 exclusion 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 outside Hong Kong).”

B. **“THAT:**

- (a) the exercise by the directors of the Company during the Relevant Period of all powers of the Company to purchase its own shares, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of this resolution and the said approval be limited accordingly; and
- (c) 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 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.”

- C. “**THAT** conditional upon resolution no. 4B above being passed, the aggregate nominal amount of the number of shares in the capital of the Company which are repurchased by the Company under the authority granted to the directors as mentioned in resolution no. 4B above shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to resolution no.4A above.”

#### **SPECIAL RESOLUTION**

- D. “**THAT** the existing Bye-law 87(2) of the Bye-laws of the Company be and is hereby deleted and be replaced by the following :

“87. (2) 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 by rotation so that each Director shall be subject to retirement at least once every three years.””

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

Hong Kong, 28th July, 2005

**Principal Office:**

2810-11, 28th Floor

Shun Tak Centre

West Tower

200 Connaught Road Centre

Hong Kong

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