

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

**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, a bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in United Power Investment Limited (the “Company”), you should at once hand this circular accompanying with the form of proxy to the purchaser or transferee, or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**UNITED POWER INVESTMENT LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code:674)**

**DISCLOSEABLE AND CONNECTED TRANSACTION**

**Financial adviser to the Company**



博大資本國際有限公司

**Partners Capital International Limited**

**Independent financial adviser**



**First Shanghai Capital Limited**

A letter from the independent board committee of the Company is set out on page 7 of this circular. A letter from First Shanghai Capital Limited containing its advice to the independent board committee and the independent shareholders of the Company is set out on pages 8 to 14 of this circular.

A notice convening 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, Salisbury Road, Tsimshatsui, Kowloon, Hong Kong on 21 May 2007 at 3:30 p.m. is set out on pages 25 to 26 of this circular. Whether or not you are able to attend the meeting in person, please complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's principal office at 2810-11, 28th Floor Shun Tak Centre, West Tower, 200 Connaught Road Central, Hong Kong as soon as practicable but in any event not less than 48 hours before the time appointed for the holding of the meeting. Completion and return of the accompanying form of proxy will not preclude you from attending and voting at the meeting should you so wish.

4 May 2007

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## DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Shares from the Vendors pursuant to the Sale and Purchase Agreement and the assignment of the Sale Loan from the Assignor to the Assignee pursuant to the Loan Assignment Agreement
“Assignee”	Golden Island (Management) Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Assignor” or “Well Harvest”	Well Harvest Enterprises Limited, a company incorporated in BVI with limited liability and wholly and beneficially owned by Madam Ma, an executive Director
“associates”	has the meaning ascribed to in the Listing Rules
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Company”	United Power Investment Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Director(s)”	the director(s), including the independent non-executive directors, of the Company
“First Shanghai”	First Shanghai Capital Limited, a licensed corporation to carry out type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Acquisition
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Company comprising independent non-executive Directors, namely Messrs. Chan Lai Mei, Lee Wai Loun and Lee Yuk Sang, Angus
“Independent Shareholders”	Shareholders other than World Possession and its associates

## DEFINITIONS

“Latest Practicable Date”	2 May 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Assignment Agreement”	the conditional sale and purchase agreement dated 13 April 2007 between the Assignor and the Assignee, pursuant to which the Assignor has agreed to transfer and assign all its benefits in the Sale Loan to the Assignee
“Madam Ma”	Madam Ma Shuk Kam, an executive Director
“Mr. Yeung”	Mr. Yeung Chi Hang, the Chairman of the Company and an executive Director
“PRC”	the People’s Republic of China, which, for the purpose of the this circular, excludes Hong Kong, Taiwan and Macau
“Property”	Levels 1 to 3 of Yidong Building, Nos. 301, 303 Huanshizhong Road, Yuexiu District, Guangzhou City, the PRC
“Purchaser”	Wise Mark Group Limited, an indirect wholly-owned subsidiary of the Company incorporated in BVI with limited liability
“Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 13 April 2007 between the Vendors and the Purchaser, pursuant to which the Purchaser agreed to acquire from the Vendors the Sale Shares
“Sale Loan”	the interest free unsecured loan in the amount of HK\$16,434,099 advanced by the Assignor to Shenzhen Land
“Sale Shares”	the 10,000 issued shares of HK\$1 each in the share capital of Shenzhen Land beneficially owned by the Vendors
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“SGM”	the special general meeting of the Company to be convened for approving the Sale and Purchase Agreement and the Loan Assignment Agreement
“Share(s)”	share(s) of HK\$0.05 each in the share capital of the Company
“Shareholders”	holders of Shares

## DEFINITIONS

“Shenzhen Land”	Shenzhen Land Company Limited, a company incorporated in Hong Kong with limited liability
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendors”	Mr. Yeung and Well Harvest
“Vigers”	Vigers Appraisal and Consulting Limited, an independent qualified property surveyor appointed by the Company
“World Possession”	World Possession Assets Limited, a company incorporated in BVI with limited liability and the controlling Shareholder interested in approximately 54.12% of the issued share capital of the Company as at the Latest Practicable Date, Madam Ma, Mr. Yeung and Ms. Yeung Kit Yu, Kitty, all being executive Directors, hold the entire issued share capital of World Possession in equal shares
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“sq.m.”	square meter(s)
“%”	percentage

*Note: For the purpose of this circular, all amounts in Renminbi were translated into Hong Kong dollars at an exchange rate of HK\$1.00: RMB1.00.*

## LETTER FROM THE BOARD



# UNITED POWER INVESTMENT LIMITED

*(Incorporated in Bermuda with limited liability)*

**(Stock Code:674)**

*Executive Directors:*

Yeung Chi Hang (*Chairman*)

Ma Shuk Kam

Liu Yu Mo (*Chief Executive Officer*)

Chung Siu Wah

Yeung Kit Yu, Kitty

Au Edmond Wah

Chik To Pan

*Independent Non-Executive Directors:*

Chan Lai Mei

Lee Wai Loun

Lee Yuk Sang, Angus

*Registered Office:*

Clarendon House

Church Street

Hamilton HM 11

Bermuda

*Head office and*

*principal place of business:*

2810-11

28th Floor Shun Tak Centre

West Tower

200 Connaught Road Central

Hong Kong

4 May 2007

*To the Shareholders,*

Dear Sir or Madam,

### **DISCLOSEABLE AND CONNECTED TRANSACTION**

#### **INTRODUCTION**

On 16 April 2007, the Board announced that on 13 April 2007, the Purchaser, being wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Vendors, pursuant to which the Purchaser agreed to acquire from the Vendors the Sale Shares (representing the entire issued share capital of Shenzhen Land) for a consideration of HK\$31,565,901 and the Assignee also entered into the Loan Assignment Agreement with the Assignor, pursuant to which the Assignor has agreed to transfer and assign all its benefits in the Sale Loan in the amount of HK\$16,434,099 to the Assignee for a consideration equivalent to the amount of the Sale Loan, with consideration for both transactions to be paid in cash.

The Acquisition constitutes a discloseable transaction for the Company under the Listing Rules. As the Vendors are Mr. Yeung, the Chairman of the Company and an executive Director and Well Harvest, a company wholly and beneficially owned by Madam Ma, an executive Director, the Acquisition also constitutes a connected transaction for the Company under the Listing Rules and is subject to the approval

## LETTER FROM THE BOARD

of the Independent Shareholders at the SGM, with voting on the relevant resolutions to be taken by poll. The Independent Board Committee has been appointed by the Board to advise the Independent Shareholders on the Acquisition. First Shanghai has been appointed as an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

The purpose of this circular is to give you details of the Acquisition, the recommendation from the Independent Board Committee, the advice of First Shanghai and a notice to convene the SGM to consider and, if thought fit, pass the resolutions to approve the Sale and Purchase Agreement and the Loan Assignment Agreement.

### **THE SALE AND PURCHASE AGREEMENT DATED 13 APRIL 2007**

#### **Parties**

- Vendors:
- (i) Mr. Yeung Chi Hang, the Chairman of the Company and an executive Director; and
  - (ii) Well Harvest Enterprises Limited, a company incorporated in BVI with limited liability and wholly and beneficially owned by Madam Ma, an executive Director. It is an investment holding company.
- Purchaser: Wise Mark Group Limited, a company incorporated in BVI with limited liability and an indirect wholly-owned subsidiary of the Company. It is an investment holding company.

#### **Assets to be acquired**

- Sale Shares: the 10,000 issued shares of HK\$1 each in the capital of Shenzhen Land beneficially owned by the Vendors

#### **Consideration and payment**

The consideration for the Sale Shares of HK\$31,565,901 is payable in cash to the Vendors in equal shares on completion of the Sale and Purchase Agreement.

#### **Conditions and Completion**

Completion of the Sale and Purchase Agreement shall be conditional upon:

- (a) the passing at the SGM of resolution to approve the Sale and Purchase Agreement in accordance with the Listing Rules;
- (b) the Purchaser completing a review of the financial trading and legal position of Shenzhen Land and such review not revealing any breach of the representations, warranties or undertakings of the Vendors in respect of Shenzhen Land; and
- (c) the Purchaser being reasonably satisfied that Shenzhen Land has good marketable title to the Property.

## LETTER FROM THE BOARD

The Company considers legal position of Shenzhen Land refers to legality and compliance aspects of it and its assets.

If the aforesaid conditions have not all been fulfilled by 15 June 2007, the Sale and Purchase Agreement shall lapse and no party hereto shall have any claim against any of the other parties except in respect of any antecedent breach.

Completion of the sale and purchase of the Sale Shares shall take place on the 2nd business day after the above conditions have been fulfilled (or such other date as may be agreed by the parties).

### **THE LOAN ASSIGNMENT AGREEMENT DATED 13 APRIL 2007**

#### **Parties**

Assignor: Well Harvest Enterprises Limited, a company incorporated in BVI with limited liability and wholly and beneficially owned by Madam Ma, an executive Director. It is an investment holding company

Assignee: Golden Island (Management) Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company

#### **Assets to be acquired**

Sale Loan: the interest free unsecured loan in the amount of HK\$16,434,099 advanced by the Assignor to Shenzhen Land

#### **Consideration and payment**

The consideration for the Sale Loan of HK\$16,434,099 which is equivalent to the amount of the Sale Loan in cash is payable to the Assignor on completion of the Loan Assignment Agreement.

#### **Condition and Completion**

Completion of the Loan Assignment Agreement is conditional on the passing at the SGM of resolution to approve the Loan Assignment Agreement.

If the aforesaid condition has not been fulfilled by 15 June 2007, the Loan Assignment Agreement shall lapse and no party hereto shall have any claim against the other party except in respect of any antecedent breach.

Completion of the assignment of the Sale Loan shall take place on the 2nd business day after the above condition has been fulfilled (or such other date as may be agreed by the parties),.

## LETTER FROM THE BOARD

### TOTAL CONSIDERATION

The total consideration for the Acquisition is HK\$48,000,000 which comprises the consideration for the Sale Shares of HK\$31,565,901 and the consideration for the Sale Loan of HK\$16,434,099. The total consideration was arrived at after arm's length negotiations between the Purchaser and the Vendors with reference to the current property market condition and after taking into account that the total consideration of HK\$48,000,000 represents:

- (a) a discount of approximately 7.69% to the market value of the Property of HK\$52,000,000 as at 31 March 2007 as appraised, based on the comparison approach, by Vigers, an independent qualified property surveyor appointed by the Company; and
- (b) a discount of approximately 3.76% to the sum of (i) the net asset value of Shenzhen Land of HK\$33,439,577 as at 31 January 2007 after adjustment for the revaluation surplus of the Property; and (ii) HK\$16,434,099, being the amount of the Sale Loan.

The total consideration of HK\$48,000,000 under the Sale and Purchase Agreement and the Loan Assignment Agreement will be financed by internal resources of the Company.

### INFORMATION ON SHENZHEN LAND AND THE PROPERTY

Shenzhen Land is a company incorporated in Hong Kong on 9 May 1991 with a total issued share capital of HK\$10,000. Shenzhen Land is beneficially owned as to 50% by Mr. Yeung and as to 50% by Well Harvest. The major asset of Shenzhen Land is its interests in the Property and its other assets included utility deposits. Upon completion of the Acquisition, Shenzhen Land will become a wholly owned subsidiary of the Company and its accounts will be consolidated into that of the Company.

The audited net loss of Shenzhen Land after extraordinary items and both (i) before and (ii) after taxation for the year ended 31 January 2006 were approximately HK\$1,237,073. The audited net loss of Shenzhen Land after extraordinary items and both (i) before and (ii) after taxation for the year ended 31 January 2007 were approximately HK\$1,237,623. The audited net asset value of Shenzhen Land was HK\$22,939,573 as at 31 January 2007. The financial statements of Shenzhen Land for the years ended 31 January 2006 and 2007 have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards.

### THE PROPERTY

The Property was acquired by Shenzhen Land in 1994 for an aggregate consideration of approximately RMB42 million (approximately HK\$42 million). The Property is located at Levels 1 to 3 of Yidong Building, Nos. 301, 303 Huanshizhong Road, Yuexiu District, Guangzhou City, the PRC. The Property comprises the first to third levels of a 14-storey with two basement levels composite building located at a commercial district in Guangzhou. It has a total gross floor area of approximately 4,042.77 sq.m. and is held under land use rights for a term expiring on 31 January 2040. It is currently vacant. The Property is subject to a pledge created in December 1994 in favour of a bank for a term of 3 years. Although release on the pledge has not been registered, the term of the pledge has expired and there is no outstanding loan for which the pledge was created.

## **LETTER FROM THE BOARD**

### **REASONS FOR THE ACQUISITION**

The Group is principally engaged in property investment, restaurant operations, provision of wedding services, entertainment business and retail trading of watches and wine.

Subsequent to completion of the disposal of 95% registered capital of Waldorf Holding Limited and the benefits of loan advanced to it in November 2006 as detailed in the announcement of the Company dated 3 November 2006, the Company has been looking for investment opportunities in the Greater China region with an objective to expand the business portfolio of the Group. The Directors are of the view that the Property is situated in a prime location of Guangzhou City and has the potential to be developed into a food and entertainment plaza. The Directors intend to leverage on their extensive experience and business network in the restaurant and entertainment business and tap into the consumer market in Guangzhou City by renovating the Property into a food and entertainment plaza and operating the related restaurant and entertainment businesses in the Property. The Directors are of the opinion that the Acquisition is in line with the corporate strategy of the Group which includes property investment in the PRC and provides an opportunity for the Company to broaden its business scope and diversify into restaurant and entertainment business in the PRC. The Directors consider that the terms of the Sale and Purchase Agreement and the Loan Assignment Agreement are of normal commercial terms and fair and reasonable and the Acquisition is in the interests of the Company and the Shareholders as a whole.

### **EFFECT OF THE ACQUISITION**

As the Directors intend to renovate the Property into a food and entertainment plaza and operate the related restaurant and entertainment businesses in the Property, it is expected that no rental income or profit will be generated to the Group in the short run.

Upon completion of the Acquisition, it is expected that the Group's non-current assets will be increased by approximately HK\$49.8 million and the Group's current assets will be decreased by approximately HK\$48 million (before expenses) and the Acquisition will not have any material impact on the earnings and liabilities of the Group.

### **SGM**

A notice convening the SGM to be held at Golden Island Bird's Nest Chiu Chau Restaurant, 2nd Floor, East Wing, Star House, Salisbury Road, Tsimshatsui, Kowloon, Hong Kong on 21 May 2007 at 3:30 p.m. is set out on pages 25 to 26 of this circular at which resolutions will be proposed to consider, and if thought fit, to approve the Sale and Purchase Agreement and the Loan Assignment Agreement, voting of which will be taken on a poll. Whether or not you are able to attend the meeting in person, please complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's principal office at 2810-11, 28th Floor Shun Tak Centre, West Tower, 200 Connaught Road Central, Hong Kong as soon as practicable but in any event not less than 48 hours before the time appointed for the holding of the meeting. Completion and return of the accompanying form of proxy will not preclude you from attending and voting at the meeting should you so wish.

## LETTER FROM THE BOARD

World Possession, being the controlling Shareholder interested in approximately 54.12% of the issued share capital of the Company as at the Latest Practicable Date and Madam Ma, Mr. Yeung and Ms. Yeung Kit Yu, Kitty, all being executive Directors, hold the entire issued share capital of World Possession in equal shares, will be required to abstain from voting in the SGM.

### PROCEDURE FOR DEMANDING A POLL

The applicable procedure for Shareholders to demand poll at the general meeting is set out below for the information of Shareholders.

According to the bye-laws of the Company, before or on the declaration of the result of voting on a show of hands on a resolution by the chairman of a general meeting, 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% of 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 10% of the total sum paid up on all the shares conferring that right.

### RECOMMENDATIONS

Your attention is drawn to the letters from the Independent Board Committee and First Shanghai which set out their recommendations in respect of the Acquisition and the principal factors considered by them in arriving at their recommendations.

### ADDITIONAL INFORMATION

Your attention is also drawn to the additional information contained in the appendices to this circular.

By order of the board of  
**United Power Investment Limited**  
**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)**

4 May 2007

*To the Independent Shareholders,*

Dear Sir or Madam,

**DISCLOSEABLE AND CONNECTED TRANSACTION**

We refer to the letter from the Board set out on pages 1 to 6 of the circular dated 4 May 2007 (the “Circular”) of which this letter forms part. Capitalised terms used herein shall have the same meanings as those defined in the Circular unless the context otherwise requires.

We have been appointed as members of the Independent Board Committee to consider the terms of the Sale and Purchase Agreement and the Loan Assignment Agreement and to advise the Independent Shareholders as to whether or not the terms are fair and reasonable and in the interests of the Independent Shareholders and whether to vote in favour of the ordinary resolutions to be proposed at the SGM to approve the Sale and Purchase Agreement and the Loan Assignment Agreement. First Shanghai has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

We wish to draw your attention to the letter from the Board and the letter of advice from First Shanghai to the Independent Board Committee and the Independent Shareholders which contains its advice in relation to the Sale and Purchase Agreement and the Loan Assignment Agreement as set out in the Circular.

Having taken into account the principal factors and reasons considered and the opinion given by First Shanghai as stated in its letter of advice as set out on pages 8 to 14 of the Circular, we consider that the terms of the Sale and Purchase Agreement and the Loan Assignment Agreement are fair and reasonable, on normal commercial terms and in usual course of business and the Acquisition is in the interests of the Company and the Independent Shareholders as a whole. We therefore recommend the Independent Shareholders to vote in favour of the ordinary resolutions approving the Sale and Purchase Agreement and the Loan Assignment Agreement to be proposed at the SGM.

Yours faithfully,  
Independent Board Committee

**Chan Lai Mei**

**Lee Wai Loun**

**Lee Yuk Sang, Angus**

*Independent Non-executive Directors*

## LETTER FROM FIRST SHANGHAI

*The following is the text of a letter received from First Shanghai setting out its advice to the Independent Board Committee and the Independent Shareholders in respect of the proposed discloseable and connected transaction for inclusion in this circular.*



### FIRST SHANGHAI CAPITAL LIMITED

19th Floor, Wing On House  
71 Des Voeux Road Central  
Hong Kong

4 May 2007

*To the Independent Board Committee and the Independent Shareholders*

#### ***United Power Investment Limited***

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

Dear Sir or Madam,

### **DISCLOSEABLE AND CONNECTED TRANSACTION**

#### **INTRODUCTION**

We refer to our engagement to advise the Independent Board Committee and the Independent Shareholders in respect of the Acquisition, details of which are set out in the circular of the Company dated 4 May 2007 (the “**Circular**”) to the Shareholders, of which this letter forms a part. Unless the context otherwise requires, terms used in this letter shall have the same meanings as those defined in the Circular.

As disclosed in the announcement of the Company dated 16 April 2007, on 13 April 2007, the Purchaser, being an indirect wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Vendors, pursuant to which the Purchaser agreed to acquire from the Vendors the Sale Shares (representing the entire issued share capital of Shenzhen Land) for a consideration of HK\$31,565,901 and the Assignee also entered into the Loan Assignment Agreement with the Assignor, pursuant to which the Assignor has agreed to transfer and assign all its benefits in the Sale Loan in the amount of HK\$16,434,099 to the Assignee for a consideration equivalent to the amount of the Sale Loan in cash.

## LETTER FROM FIRST SHANGHAI

The aggregate consideration for the Acquisition is HK\$48,000,000 (the “Consideration”). The Consideration is payable in cash on completion of the Sale and Purchase Agreement and the Loan Assignment Agreement.

The Acquisition constitutes a discloseable transaction for the Company under the Listing Rules. As the Vendors are Mr. Yeung, the Chairman of the Company and an executive Director and Well Harvest, a company wholly and beneficially owned by Madam Ma, an executive Director, the Acquisition also constitutes a connected transaction for the Company under the Listing Rules and is subject to the approval of the Independent Shareholders at the SGM by poll. World Possession, being the controlling Shareholder interested in approximately 54.12% of the issued share capital of the Company as at the Latest Practicable Date and Madam Ma, Mr. Yeung and Ms. Yeung Kit Yu, Kitty, all being executive Directors, hold the entire issued share capital of World Possession in equal shares, are required to abstain from voting in the SGM.

The Independent Board Committee, comprising the independent non-executive Directors, namely, Ms. Chan Lai Mei, Mr. Lee Wai Loun and Mr. Lee Yuk Sang, Angus, has been appointed to advise the Independent Shareholders in relation to the terms of the Acquisition. Our role, as the independent financial adviser to the Independent Board Committee and the Independent Shareholders, is to give an independent opinion as to whether the Acquisition is on normal commercial terms and in the ordinary and usual course of business and whether the terms of the Acquisition are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

In putting forth our opinion and recommendation, we have relied on the accuracy of the information and representations included in the Circular and provided to us by the Directors and the Company, and have assumed that all such information and representations made or referred to in the Circular and provided to us by the Directors and the Company were true at the time they were made and continued to be true as at the date hereof. We have also relied on the information and representations provided by Vigers Appraisal and Consulting Limited (the “Valuer”) regarding the valuation of the Property and assumed that the bases and assumptions made in determining the valuation of the Property by the Valuer are fair and reasonable. We have also assumed that all statements of belief, opinion and intention made by the Directors in the Circular were reasonably made after due enquiry. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and have been advised by the Directors that no material facts have been withheld or omitted from the information provided and referred to in the Circular. We consider that we have reviewed sufficient information to reach an informed view and to justify reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our advice. We have not, however, conducted any independent verification of the information included in the Circular and provided to us by the Directors nor have we conducted any form of investigation into the business, affairs or future prospects of the Group. We have taken the reasonable steps as required under Rules 13.80 of the Listing Rules in forming our opinion.

## LETTER FROM FIRST SHANGHAI

### PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendation as to the fairness and reasonableness of the terms of the Acquisition, we have taken into account the following principal factors and reasons:

#### 1. Business and financial review of the Group

The Group is principally engaged in property investment, restaurant operations, provision of wedding services, entertainment business and retail trading of watches and wine.

According to the annual report of the Company for the year ended 31 March 2006, the audited turnover of the Group for the year ended 31 March 2006 was approximately HK\$266.8 million, representing an increase of approximately 85.7% compared to the previous year. The increase was mainly contributed by the watch retail business and hotel operations acquired in July 2005 and October 2005 respectively. Within the total turnover for the year ended 31 March 2006, property investment business contributed approximately 1.9%. The audited net profit of the Group for the year amounted to approximately HK\$42.3 million as compared to a net profit of approximately HK\$23.2 million for the previous year.

As stated in the interim report of the Company for the six months ended 30 September 2006 (“Interim Report 2006”), the unaudited turnover of the Group for the six months ended 30 September 2006 was approximately HK\$99.7 million, representing an increase of approximately 21.0% as compared to the corresponding period in 2005. The property investment business contributed approximately 5.3% of the total turnover during the review period. The Group recorded an unaudited net loss of approximately HK\$2.1 million for the six months ended 30 September 2006, represented a deepened loss of approximately 152.8% as compared to that for the six months ended 30 September 2005. The deepened loss was mainly due to the continued loss of the entertainment operations and the Japanese restaurant, decrease in profit of the wedding services business in Hong Kong, and losses of the newly open wine retailing and wedding services businesses in Macau.

In June 2006, the Group opened three shops in the shopping arcade of Grand Waldo Hotel, Cotai, Macau for provision of wedding services and retailing of watches and wine respectively to explore the Macau market.

In mid 2006, the Group entered into various agreements relating to licensing of karaoke music products in the PRC, details of which are contained in the circular of the Company dated 11 August 2006.

In September 2006, the Group closed down its Japanese restaurant in Tsimshatsui as a result of continued loss.

## LETTER FROM FIRST SHANGHAI

In November 2006, the Group disposed of the hotel operation business in Macau, details of which are contained in the circular of the Company dated 27 November 2006.

As stated in the “Letter from the Board” in the Circular, the Company has been looking for investment opportunities in the Greater China region with an objective to expanding the business portfolio of the Group. In light of the above, we concur with the management’s that it is the intention of the Board that the Group will continue to seek appropriate investment opportunities to expand the business of the Group.

### **2. Business and financial review of the Shenzhen Land**

Shenzhen Land is a company incorporated in Hong Kong on 9 May 1991. It is beneficially owned as to 50% by Mr. Yeung and as to 50% by Well Harvest. The major assets of Shenzhen Land are its interests in the Property and its other assets including utility deposits. Upon completion of the Acquisition, Shenzhen Land will become a wholly-owned subsidiary of the Company and its accounts will be consolidated into that of the Company.

Based on the financial statements of Shenzhen Land for the two years ended 31 January 2007, which have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards, the audited net loss of Shenzhen Land after extraordinary items and both (i) before and (ii) after taxation for the year ended 31 January 2006 were approximately HK\$1,237,073, while the audited net loss of Shenzhen Land after extraordinary items and both (i) before and (ii) after taxation for the year ended 31 January 2007 were approximately HK\$1,237,623. The audited net asset value of Shenzhen Land was HK\$22,939,573 as at 31 January 2007.

As stated in the “Letter from the Board” in the Circular, the Property was acquired by Shenzhen Land in 1994 for an aggregate consideration of approximately RMB42.0 million (approximately HK\$42.0 million). The Property is located at Levels 1 to 3 of Yidong Building, Nos. 301, 303 Huanshizhong Road, Yuexiu District, Guangzhou City, the PRC. It comprises the first to third levels of a 14-storey with two basement levels composite building located at a commercial district in Guangzhou. It has a total gross floor area of approximately 4,042.77 sq.m. and is held under land use rights for a term expiring on 31 January 2040. The Directors intend to renovate the Property into a food and entertainment plaza and to operate the related restaurant and entertainment businesses in the Property.

### **3. Basis for determining the Consideration**

The Consideration of HK\$48,000,000 comprises the consideration for the Sale Shares of HK\$31,565,901 and the consideration for the Sale Loan of HK\$16,434,099, and will be financed by the internal resources of the Company. As stated in the “Letter from the Board” in the Circular, the Consideration was arrived at after arm’s length negotiations between the Purchaser and the Vendors with reference to the current property market condition and represents (i) a discount of approximately 7.69% to the market value of the Property of HK\$52.0 million as at 31 March 2007; and (ii) a discount of approximately 3.76% to the sum of net asset value of Shenzhen Land of HK\$33,439,577 as at 31 January 2007 (after adjustment to include the revaluation surplus of the Property) and the Sale Loan of HK\$16,434,099.

As discussed with the Valuer, we understand that the Property is valued by the comparison approach by making reference to comparable sales evidences or offerings as available in the relevant market, and weighted against the respective advantages and disadvantages of the Property. We consider that the valuation methodology adopted by the Valuer is in line with common market practice for valuing properties in a property market where comparable sales evidence or offerings are readily available, and we consider that the methodology adopted by the Valuer is appropriate.

Having considered that (i) the Consideration is at a slight discount to market value of the Property and, the sum of the net asset value of Shenzhen Land and the Sale Loan, which is favourable to the Group and (ii) the methodology adopted by the Valuer in valuing the Property is in line with market practice, we are of the view that the Consideration is fair and reasonable so far as the Independent Shareholders are concerned.

### **4. Financial effects of the Acquisition on the Group**

#### *Net asset value*

As stated in the “Letter from the Board” in the Circular, upon completion of the Acquisition, it is expected that the Group’s non-current assets will be increased by approximately HK\$49.8 million and the Group’s current assets will be decreased by approximately HK\$48.0 million (before expenses). Accordingly, the Acquisition is not expected to have any material impact on the net asset value of the Group.

#### *Earnings*

As stated in the “Letter from the Board” in the Circular, Shenzhen Land recorded a net loss after taxation of HK\$1,237,073 and HK\$1,237,073 for the two years ended 31 January 2006 and 31 January 2007 respectively. Based on our discussion with the management of the Company, we understood that the Property is currently vacant and will be renovated and developed into a food and entertainment plaza. Therefore, it is not expected to have an immediate contribution to the earnings of the Group.

## LETTER FROM FIRST SHANGHAI

### *Working capital*

The Consideration will be financed by internal sources of the Company. According to the Interim Report 2006, the Group had cash and bank balance of approximately HK\$71.8 million, current assets of HK\$620.7 million and current liabilities of HK\$230.3 million as at 30 September 2006. This represents a current ratio of approximately 2.7. The Acquisition would have resulted in a decrease in net current assets of approximately HK\$48.0 million if it were settled by cash or other current assets. As a result, the current ratio will be reduced to 2.5, representing a decrease of only about 0.2%. The Group also has banking facilities which amounted to HK\$200.2 million as at 30 September 2006 available for use.

### **RECOMMENDATION**

Having considered the above principal factors and reasons and summarised below:

- (i) the Group is principally engaged in property investment, restaurant operations, provision of wedding services, entertainment business and retail trading of watches and wine. Since the Directors intend to renovate the Property into a food and entertainment plaza and to operate the related restaurant and entertainment businesses in the Property, the Acquisition is in line with the Group's principal business;
- (ii) the Consideration is at a slight discount to the market value of the Property and also at a slight discount to the sum of the net asset value of Shenzhen Land (after adjustment to include the revaluation surplus of the Property) and the Sale Loan, which is favourable to the Group;
- (iii) having discussed with the Valuer, we consider that the methodology adopted by the Valuer in valuing the Property is in line with market practice and is appropriate; and
- (iv) the Acquisition is not expected to have any material adverse impact on the financial position of the Group,

**LETTER FROM FIRST SHANGHAI**

we are of the opinion that the Acquisition is on normal commercial terms and in the ordinary and usual course of business. In view of the above principal factors and reasons, we are also of the opinion that the terms of the Acquisition are fair and reasonable and are in the interest of the Company and its Shareholders as a whole. Accordingly, we advise the Independent Board Committee to advise the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Acquisition and the transactions contemplated thereunder.

Yours faithfully,

For and on behalf of

**First Shanghai Capital Limited**

**Helen Zee**

Managing Director

**Eric Lee**

Executive Director

**Vigers Appraisal & Consulting Limited**  
*International Assets Appraisal Consultants*

10th Floor  
The Grande Building  
398 Kwun Tong Road  
Kowloon  
Hong Kong



4 May 2007

The Directors  
United Power Investment Limited,  
Rooms 2810-2811, 28th Floor,  
West Tower,  
Shun Tak Centre,  
200 Connaught Road Central,  
Hong Kong

Dear Sirs,

**Levels 1 to 3 of Yidong Building, Nos. 301, 303 Huanshizhong Road  
Yuexiu District, Guangzhou City, the PRC**

In accordance with your instructions for us to value the captioned property located in the People's Republic of China ("the PRC"), we confirm that we have carried out inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you ("the Company") with our opinion of the market value of such property interest as at 31 March 2007 ("date of valuation") for possible acquisition purpose.

Our valuation is our opinion of the market value of the property interest which we would define as intended to mean "the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

Our valuation has been made on the assumption that the owner sell the property interest on the market without the benefit of deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements which would serve to increase the value of the property interest. In addition, no forced sale situation in any manner is assumed in our valuation.

We have estimated the value of the property by the Comparison Approach via making reference to comparable sales evidences or offerings as available in the relevant market, and weighed against the respective advantages and disadvantages of the property in order to arrive at a fair comparison of the value.

We have not caused title searches to be made for the property interest at the relevant government bureau in the PRC. We have been provided with certain extracts of title documents relating to the property interest. However, we have not scrutinized the original documents to verify the ownership, encumbrances or the existence of any subsequent amendments which may not appear on the copies handed to us. In undertaking the valuation, we have relied on the legal opinion provided by the Group's PRC legal adviser, Hills & Co.

We have relied to a considerable extent on the information provided by the Company and have accepted advice given to us on such matters as ownership, title, planning approvals, statutory notices, easements, tenure, occupation, lettings, floor areas, identification of the property and other relevant matters. We have also been advised by the Company that no material facts had been concealed or omitted in the information provided to us. All documents have been used for reference only.

All dimensions, measurements and areas included in the valuation certificate are based on information contained in the documents provided to us by the Company and are approximations only. No on-site measurement has been taken.

We have inspected the exterior and, where possible, the interior of the property. However, no structural survey has been made and we are therefore unable to report whether the property is free from rot, infestation or any other structural defects. No tests were carried out on any of the services.

We have not carried out investigations on site to determine the suitability of ground conditions and services etc. for any future development, nor have we undertaken any ecological or environmental surveys. Our valuation is prepared on the assumption that these aspects are satisfactory and that no extraordinary expenses or delays will be incurred during construction period.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property interest nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property interest is free from encumbrances, restrictions and outgoing of an onerous nature which could affect its value.

In valuing the property interest, we have complied with the requirements set out in Chapter 5 and Practice Note 12 to the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited and the HKIS Valuation Standards on Properties (First Edition 2005) published by the Hong Kong Institute of Surveyors (“HKIS”).

The valuation is stated in Hong Kong Dollar. The exchange rate used in valuing the property interest on the date of valuation was RMB1=HK\$1.01.

We enclosed herewith the valuation certificate.

Yours faithfully,  
For and on behalf of  
**Vigers Appraisal & Consulting Limited**

**Raymond Ho Kai Kwong**  
*Registered Professional Surveyor*  
MRICS MHKIS MSc(e-com)  
Executive Director

*Note:* Mr Raymond K. K. Ho, Chartered Surveyor, MRICS, MHKIS has over nineteen years’ experience in undertaking valuations of properties in Hong Kong and Macau, and has over twelve years’ experience in the valuation of properties in the PRC. Mr. Ho has been working with Vigers Group since 1989.

## VALUATION CERTIFICATE

Property	Description and Tenure	Particulars of Occupancy	Capital Value in existing state as at 31 March 2007										
Levels 1 to 3 of Yidong Building, Nos.301, 303 Huanshizhong Road Yuxiu District, Guangzhou City, the PRC	<p>The property comprises the first to third levels of a 14-storey plus two basement levels composite building completed in about 1993.</p> <p>The property has a total gross floor area of approximately 4,042.77 sq.m with further details as follows:</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th>Level</th> <th>GFA(in sq.m.)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td style="text-align: right;">904.70</td> </tr> <tr> <td>2</td> <td style="text-align: right;">1,620.75</td> </tr> <tr> <td>3</td> <td style="text-align: right;">1,517.32</td> </tr> <tr> <td style="border-top: 1px solid black;">Total:</td> <td style="text-align: right; border-top: 1px solid black;">4,042.77</td> </tr> </tbody> </table> <p>The property is held under the land use rights for a term expiring on 31 January 2040.</p>	Level	GFA(in sq.m.)	1	904.70	2	1,620.75	3	1,517.32	Total:	4,042.77	The property is currently vacant.	HK\$52,000,000
Level	GFA(in sq.m.)												
1	904.70												
2	1,620.75												
3	1,517.32												
Total:	4,042.77												

*Notes:*

1. According to the Realty Title Certificates Sui Fang Di Zhen Zi Nos. 180210 to 180212, the title of the property having a total gross floor area of approximately 4,042.77 sq. m. is vested in 深圳房屋置業有限公司 for a term expiring on 31 January 2040. Further details are as follows:

Certificate No.	Location	Gross Floor Area (in sq.m.)
180210	Level 3	1,517.32
180211	Level 1	904.70
180212	Level 2	1,620.75
	Total:	4,042.77

2. The PRC legal opinion states, inter alia, as follows:
  - i. Based on the Realty Title Certificates Sui Fang Di Zhen Zi Nos. 180210 to 180212, 深圳房屋置業有限公司's title over the property is legal, effective and protected by the laws in China.

- ii. The property is subject to a mortgage created in December 1994 in favour of Guangdong Development Bank for a right valued at RMB165,000,000 for a term of 3 years. There should be no legal impediment for the relevant parties to register the release of the mortgage in accordance with the prescribed procedures of the relevant government department. Although the release has not been registered, the term of the mortgage has expired. The mortgage has been classified as having been released legally.
- iii. During the term stated in the realty title certificates, 深圳房屋置業有限公司 has the right to use the property in accordance with its designated use, to lease or to mortgage and after the registration on the release of the mortgage, to assign the property to parties in or outside the PRC, without payment of any fee other than the normal tax payment to the government.

**RESPONSIBILITY STATEMENT**

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable inquiries and that to the best of their knowledge and belief there are no other facts the omission of which would make any statement therein misleading.

**DISCLOSURE OF INTERESTS***Interests of Directors*

As at the Latest Practicable Date, the interests of the Directors in the share capital of the Company (other than the options mentioned below) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests which they were taken or deemed to have under such provisions of the SFO), or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or were required, pursuant to the Model Takeovers Code for Securities Transactions by Directors of Listed Companies in the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

<b>Name</b>	<b>Number of Shares</b>	<b>Nature of interest</b>	<b>Percentage of shareholding</b>
Ma Shuk Kam	1,423,550,686	Corporate (Note)	54.12
Yeung Chi Hang	1,423,550,686	Corporate (Note)	54.12
Yeung Kit Yu, Kitty	1,423,550,686	Corporate (Note)	54.12
Liu Yu Mo	48,000	Personal	0.002

*Note:* These Shares are owned by World Possession which is beneficially owned by Madam Ma, Mr. Yeung and Ms. Yeung Kit Yu, Kitty in equal shares.

On 13 December 2005, options to subscribe for a total of 70,000,000 Shares were granted under the share option scheme of the Company to executive directors of the Company at the exercise price of HK\$0.2254 per Share. The options may be exercised from the date of grant to 30 August 2012. As at the Latest Practicable Date, no such option has been exercised. Details of the options are as follows :

<b>Name of director</b>	<b>Number of Shares under outstanding options</b>
Yeung Chi Hang	22,000,000
Ma Shuk Kam	22,000,000
Liu Yu Mo	1,000,000
Chung Siu Wah	1,000,000
Yeung Kit Yu, Kitty	22,000,000
Au Edmond Wah	1,000,000
Chik To Pan	1,000,000

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or any chief executive of the Company had an interest or short position in any shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was taken or deemed to have under such provisions of the SFO) or which was required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in the Listing Rules to be notified to the Company and the Stock Exchange.

*Interests of other persons in the share capital of the Company*

As at the Latest Practicable Date, so far as is known to the Directors, the following person (other than a Director or chief executive of the Company) had an interest in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

<b>Name</b>	<b>Number of Shares</b>	<b>Nature of interest</b>	<b>Percentage of shareholding</b>
World Possession	1,423,550,686	Beneficial owner	54.12

Mr. Yeung and Madam Ma are directors of World Possession.

Save as disclosed above, as at the Latest Practicable Date, according to the register of interests required to be kept by the Company under section 336 of the SFO, there was no person who had any interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

*Interests in other members of the Group*

As at the Latest Practicable Date, so far as is known to the Directors, the following persons (other than a Director or chief executive of the Company) were, directly or indirectly, interested in 10% or more of the nominal value of the share capital carrying rights to vote in all circumstances at general meetings of the following subsidiaries of the Company:

- (a) Mr. Poon Tak Yip was interested in (i) 25% of the issued share capital of Reli-a-bo Entertainment Limited (“Reli-a-bo”) and (ii) 20% of the issued share capital of Wellprecise Limited through Nation Goup Limited (“Wellprecise”);
- (b) Mr. Wong Chor Ming was interested in 10% of the issued share capital of Reli-a-bo;
- (c) Mr. Yuen Tak Yau, Daniel (“Mr. Yuen”) was interested in 40% of the issued share capital of Witty Ventures Limited (“Witty”) and HMS Watches Company Limited respectively;
- (d) each of Long Sincere International Limited and Rise Jumbo Limited was interested in 20% of the issued share capital of Welly Champ International Limited (“Welly Champ”);

- (e) Tak Full Group Limited (“Tak Full”) was interested in 49% of the issued share capital of Well Allied Investment Limited (“Well Allied”);
- (f) Impeccable Group Limited (“IGL”) was interested in 49% of the issued share capital of Le Caveau Limited (“LCL”), and
- (g) Smooth Luck Investments Limited was interested in 40% of the issued share capital of Golden Capital Entertainment Company Limited.

None of the subsidiaries of the Company had any outstanding option to subscribe for shares as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any person (other than a Director or chief executive of the Company) who was interested, directly or indirectly, in 10% or more of the issued share capital of any subsidiary of the Company or any options in respect of such capital.

*Interests in contract or arrangement*

None of the Directors has any interests in contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of the Group taken as a whole.

*Interests in assets*

As at the Latest Practicable Date, the Group has entered into the following tenancy agreements with the landlords that the Directors have direct or indirect interest:-

**1. Workshop Space B on the 2nd Floor, Fung Wah Factorial Building, Nos.646, 648 and 648A Castle Peak Road, Kowloon, Hong Kong**

<b>Landlord</b>	<b>Tenant</b>	<b>Date of tenancy agreement</b>	<b>Term</b>	<b>Monthly rental and other fees payable to the Landlord</b>
Source Expand Development Limited (Note 1)	Golden Island Catering Group Company Limited (“Golden Island”)	18/11/2005	1/1/2006 to 31/12/2007	HK\$9,000 (Note 4)

**2. Shop Unit No.1F8A on the First Floor of Grand Waldo Hotel, Cotai, Macau**

<b>Landlord</b>	<b>Tenant</b>	<b>Date of tenancy agreement</b>	<b>Term</b>	<b>Monthly rental and other fees payable to the landlord</b>
Great China Limited (“Great China”) (Note 2)	HMS Watches Company Limited	1/5/2006	1/5/2006 to 30/4/2009	HK\$19,228 (Note 5)

**3. Shop Unit No.GF6 on the Ground Floor of the Grand Waldo Hotel, Cotai, Macau**

<b>Landlord</b>	<b>Tenant</b>	<b>Date of tenancy agreement</b>	<b>Term</b>	<b>Monthly rental and other fees payable to the landlord</b>
Great China	Le Caveau Limited	1/5/2006	1/5/2006 to 30/4/2009	HK\$49,938 (Note 5)

**4. Unit 2811 on the 28th Floor of West Tower, Shun Tak Centre, Nos.168-200 Connaught Road Central, Hong Kong**

<b>Landlord</b>	<b>Tenant</b>	<b>Date of tenancy agreement</b>	<b>Term</b>	<b>Monthly rental and other fees payable to the landlord</b>
High Brand Limited (Note 3)	Golden Island	21/6/2006	1/7/2006 to 30/6/2008	HK\$66,430 (Note 6)

**5. No.135 Waterloo Road, Kowloon, Hong Kong**

<b>Landlord</b>	<b>Tenant</b>	<b>Date of tenancy agreement</b>	<b>Term</b>	<b>Monthly rental and other fees payable to the landlord</b>
West Global Investments Limited (Note 1)	Golden Island	30/11/2006	1/12/2006 to 30/11/2008	HK\$180,000 (Note 4)

Notes:

1. These landlords are associates of Mr. Yeung and Madam Ma.
2. Great China is an associate of Mr. Yeung.
3. High Brand Limited is an associate of Madam Ma.

4. *This monthly rental is exclusive of government rent, rates, management fees and other outgoings which are payable to independent third parties.*
5. *These payments include monthly rental, management fee and air-conditioning charges payable to Great China.*
6. *This monthly rental is exclusive of rates, management fees and air-conditioning charges which are payable to independent third parties.*

Save as disclosed above and in this circular, none of the Directors has any direct or indirect interest in any assets acquired or disposed of by or leased to any member of the Group or is proposed to be acquired or disposed of by or leased to any member of the Group since 31 March 2006, being the date to which the latest published audited accounts of the Company were made up.

#### *Competing business*

None of the Directors has any interest in any business which competes or is likely to complete, either directly or indirectly, with the Group's business.

#### **SERVICE CONTRACTS**

None of the Directors has any existing or proposed service contract with any member of the Group (excluding contract expiring or determinable within one year without payment of compensation (other than statutory compensation)).

#### **LITIGATION**

Neither the Company nor any of its subsidiaries is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened against the Company or any of its subsidiaries.

#### **MATERIAL CHANGE**

The Directors are not aware of any material adverse changes in the financial or trading position or prospects of the Group since 31 March 2006, being the date to which the latest audited consolidated financial statements of the Group were made up.

#### **EXPERTS**

The qualifications of the experts who have given opinions in this circular are as follows :

<b>Name</b>	<b>Qualification</b>
First Shanghai	a licensed corporation to carry out type 6 (advising on corporate finance) regulated activities under the SFO
Vigers	professional property valuers

As at the Latest Practicable Date, none of First Shanghai and Vigers has any shareholding in any company in the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any company in the Group and has no direct or indirect interest in any assets acquired or disposed of by or leased to any member of the Group or is proposed to be acquired or disposed of by or leased to any member of the Group since 31 March 2006, being the date to which the latest published audited accounts of the Company were made up.

**CONSENTS**

Each of First Shanghai and Vigers has given and has not withdrawn its written consent to the issue of this circular with copies of its letter and the references to its names included herein in the form and context in which they are respectively included.

**GENERAL**

- (a) The secretary of the Company is Cheung Mei Ha, Jennifer. She is a solicitor practising in Hong Kong.
- (b) The qualified accountant of the Company is Liu Yu Mo. He is a certified practising accountant (Aust.) and a fellow member of the Hong Kong Institute of Certified Public Accountants.
- (c) The registered office of the Company is situated at Clarendon House, Church Street, Hamilton HM11, Bermuda.
- (d) The Hong Kong share registrar of the Company is Secretaries Limited of 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.

**DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection at the offices of Jennifer Cheung & Co. at Unit A, 19th Floor, Two Chinachem Plaza, 68 Connaught Road Central, Hong Kong during normal business hours up to and including 21 May 2007:

- (a) the Sale and Purchase Agreement and the Loan Assignment Agreement;
- (b) the letter from First Shanghai to the Independent Board Committee and the Independent Shareholders, the text of which is set out on pages 8 to 14 of this circular;
- (c) the letter and valuation certificate relating to the Property prepared by Vigers, the texts of which are set out in Appendix I to this circular; and
- (d) the written consents from First Shanghai and Vigers referred to in the paragraph headed "Consents" in this appendix.

## NOTICE OF SPECIAL GENERAL MEETING



### UNITED POWER INVESTMENT LIMITED

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 674)**

#### NOTICE OF SPECIAL GENERAL MEETING

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, Salisbury Road, Tsimshatsui, Kowloon, Hong Kong on 21 May 2007 at 3:30 p.m. for the purpose of considering and, if thought fit, passing the following resolutions as ordinary resolutions :

#### ORDINARY RESOLUTIONS

1. "THAT the agreement dated 13 April 2007 between (i) Mr. Yeung Chi Hang and Well Harvest Enterprises Limited (the "Vendors") and (ii) Wise Mark Group Limited ("Purchaser A"), a wholly owned subsidiary of the Company, whereby Purchaser A agrees to acquire from the Vendors the entire issued share capital of Shenzhen Land Company Limited ("Shenzhen Land") for a total consideration of HK\$31,565,901 (a copy of which marked "A" is tabled at the meeting and signed by the Chairman for the purpose of identification) be and is hereby approved and that the directors of the Company be and are hereby authorised to implement the same (with any amendments to the terms of such agreement as may be approved by the directors of the Company)."
2. "THAT the agreement dated 13 April 2007 between (i) Well Harvest Enterprises Limited (the "Assignor") and (ii) Golden Island (Management) Limited ("Purchaser B"), a wholly owned subsidiary of the Company, whereby Purchaser B agrees to acquire from the Assignor the benefits of shareholder's loans in the total sum of HK\$16,434,099 to Shenzhen Land for a consideration equivalent to the total amount of the loans (a copy of which marked "B" is tabled at the meeting and signed by the Chairman for the purpose of identification) be and is hereby approved and that the directors of the Company be and are hereby authorised to implement the same (with any amendments to the terms of such agreement as may be approved by the directors of the Company)."

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

Hong Kong, 4 May 2007

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

## NOTICE OF SPECIAL GENERAL MEETING

*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.