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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Glory Future Group Limited (“Company”), you should at once hand this circular together with the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

The Stock Exchange of Hong Kong Limited (“Stock Exchange”) takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

This circular, for which the directors of the Company (“Directors”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, (1) the information contained in this circular is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this circular misleading; and (3) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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## GLORY FUTURE GROUP LIMITED

光彩未來集團有限公司

*(incorporated in the Cayman Islands with limited liability)*  
(stock code: 8071)

### PROPOSED TERMINATION OF THE EXISTING SHARE OPTION SCHEME, PROPOSED ADOPTION OF A NEW SHARE OPTION SCHEME, PROPOSED GRANT OF GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES, PROPOSED RE-ELECTION OF DIRECTORS AND NOTICE OF ANNUAL GENERAL MEETING

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A notice convening the annual general meeting of the Company (“AGM”) to be held at 12th Floor, 9 Des Voeux Road West, Hong Kong on Friday, 29 June 2007 at 11:00 a.m. is set out on pages 27 to 31 of this circular.

Whether or not you are able to attend the AGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same as soon as possible and in any event not later than 48 hours before the time of the AGM or any adjournment thereof to the Company’s Hong Kong branch share registrar, Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM or any adjournment thereof should you so wish.

This circular will remain on the “Latest Company Announcements” page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least seven (7) days from the date of its posting.

5 June 2007

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## CHARACTERISTICS OF GEM

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GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website at [www.hkgem.com](http://www.hkgem.com) in order to obtain up-to-date information on GEM-listed issuers.

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## DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at 12th Floor, 9 Des Voeux Road West, Hong Kong on Friday, 29 June 2007 at 11:00 a.m., a notice of which is set out on pages 27 to 31 of this circular
“Articles”	the articles of association of the Company, as amended from time to time
“associates”	has the meaning as ascribed to it in the GEM Listing Rules
“Board”	the board of Directors
“Companies Law”	the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	Glory Future Group Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM
“Director(s)”	director(s) of the Company
“Existing Scheme”	the existing share option scheme of the Company adopted on 19 February 2001
“Extension Mandate”	a general and unconditional mandate to the Directors to the effect that any Shares repurchased under the Repurchase Mandate will be added to the total number of Shares which may be allotted and issued under the Issue Mandate
“GEM”	the Growth Enterprise Market operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

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## DEFINITIONS

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“Issue Mandate”	a general and unconditional mandate to the Directors to exercise the power of the Company to allot, issue or otherwise deal with Shares up to a maximum of 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the relevant resolution at the AGM
“Latest Practicable Date”	1 June 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“New Scheme”	the new share option scheme proposed to be adopted by the Company at the AGM for the benefit of the employees and directors of the Group and other eligible participants
“PRC”	the People’s Republic of China
“Proposal”	the termination of the Existing Scheme, the adoption of the New Scheme and the grant of a general authorisation to the Directors to grant options under the New Scheme of up to 10% of the issued share capital of the Company as at the date of the AGM
“Repurchase Mandate”	a general and unconditional mandate to the Directors to enable them to repurchase the Shares of an aggregate nominal amount not exceeding 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing such resolution
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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## LETTER FROM THE BOARD

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光彩未來集團  
Glory Future Group

### GLORY FUTURE GROUP LIMITED

光彩未來集團有限公司

*(incorporated in the Cayman Islands with limited liability)*

**(stock code: 8071)**

*Executive Directors:*

Choi Koon Ming (*Chairman*)

Ng Kam Yiu (*Chief Executive Officer*)

Chow Yeung Tuen, Richard (*Finance Director*)

Leung Ngai Man

*Registered Office:*

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Independent non-executive Directors:*

Wu Tak Lung

Phillip King

Ng Cheuk Tat, Ambrose

Chan Sing Fai

*Head office and principal place  
of business in Hong Kong:*

12th Floor

9 Des Voeux Road West

Hong Kong

5 June 2007

*To the Shareholders, and for information only,  
the holders of options of the Company*

Dear Sir or Madam

**PROPOSED TERMINATION OF THE EXISTING SHARE OPTION SCHEME,  
PROPOSED ADOPTION OF A NEW SHARE OPTION SCHEME,  
PROPOSED GRANT OF GENERAL MANDATES  
TO ISSUE AND REPURCHASE SHARES  
AND  
PROPOSED RE-ELECTION OF DIRECTORS**

#### 1. INTRODUCTION

The purpose of this circular is to provide you with information regarding (i) the proposed termination of the Existing Scheme; (ii) the proposed adoption of the New Scheme; (iii) the proposed grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate; and (iv) the proposed re-election of Directors and to give you the notice of the AGM.

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## LETTER FROM THE BOARD

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### 2. THE PROPOSAL

#### **Termination of the Existing Scheme and adoption of the New Scheme**

The Existing Scheme was adopted on 19 February 2001. Under the Existing Scheme, the Directors were authorised to grant to full-time employees of the Group, including directors of the Group, options to subscribe for Shares. After the adoption of Existing Scheme, the provisions contained in the GEM Listing Rules governing employee share option schemes have been changed.

As at the Latest Practicable Date, there were 89,268,960 Shares in issue and 5,970,000 outstanding options granted under the Existing Scheme.

Other than the Existing Scheme, the Company currently does not maintain any other share option scheme.

The Directors confirm that with effect from the Latest Practicable Date, they will not further exercise their authorities in granting options under the Existing Scheme and no further option will be granted under the Existing Scheme prior to its termination and the approval of the adoption of the New Scheme at the AGM.

Upon the termination of the Existing Scheme, no further options would be offered pursuant to the Existing Scheme but the Existing Scheme would in all other respects remain in force to the extent necessary to give effect to the exercise of the outstanding options (“**Existing Options**”) granted under it prior to its termination. The Existing Options will continue to be valid and exercisable in accordance with the provisions of the Existing Scheme.

#### **Reasons for the Proposal**

Major amendments have been introduced to Chapter 23 of the GEM Listing Rules. These amendments came into effect on 1 September 2001.

Chapter 23 of the GEM Listing Rules deals with the share option schemes of companies listed on GEM. The amendments introduced, among others, expanded the classes of potential grantees of share options, relaxed certain requirements relating to the maximum number of shares comprised in share options that can be granted under the share option schemes of such listed companies and, at the same time, imposed new disclosure and approval requirements on such listed companies.

Options may no longer be granted under the Existing Scheme by the Company unless such grants have been made in compliance with the amended rules. In this connection, the Board intends to propose to the Shareholders at the AGM that the Company should terminate the Existing Scheme and adopt the New Scheme, the terms of which will comply with the prevailing Chapter 23 of the GEM Listing Rules. The Directors consider that the adoption of the New Scheme is in the interest of the Company and the Shareholders as a whole because it enables the Company to reward

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## LETTER FROM THE BOARD

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and provide incentives to, and strengthen the Group's business relationship with, the prescribed classes of participants who may contribute to the growth and development of the Group.

### **The New Scheme**

Set out in Appendix I to this circular is a summary of the principal terms of the New Scheme, under which the initial maximum number of Shares which may be allotted and issued upon exercise of all options to be granted under the New Scheme and any other share option schemes of the Company (other than the Existing Scheme) must not in aggregate exceed 10% of the Shares in issue on the date of approval of the New Scheme by the Shareholders at the AGM, which maximum number may however be refreshed as detailed in paragraph (3) of Appendix I to this circular.

### **Conditions of the adoption of the New Scheme**

The adoption of the New Scheme is conditional upon (i) the termination of the Existing Scheme; (ii) the approval of the adoption of the New Scheme at the AGM; and (iii) the GEM Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, the Shares which may fall to be allotted and issued upon the exercise of the options to be granted up to 10% of the Shares in issue as at the date of the AGM under the New Scheme.

Application will be made to the GEM Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares representing 10% of the issued share capital of the Company as at the date of the AGM which may fall to be allotted and issued upon the exercise of options to be granted under the New Scheme.

### **Values of all options that can be granted under the New Scheme**

The Directors consider that it is not possible to state the value of all options that may be granted pursuant to the New Scheme as if they had been granted on the Latest Practicable Date, because the calculation of the value of the options is based on a number of variables such as the exercise price, exercise period, interest rate, expected volatility and other relevant variables. As options have not been granted under the New Scheme, certain variables are not available for calculating the value of the options. The Directors believe that any calculation of the value of the options as at the Latest Practicable Date based on a great number of speculative assumptions would not be meaningful to the Shareholders.

### **3. ISSUE MANDATE**

Pursuant to an ordinary resolution passed by all the Shareholders at the annual general meeting of the Company held on 28 June 2006, the Directors were granted a general mandate to allot, issue and deal with Shares in the capital of the Company. This mandate

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## LETTER FROM THE BOARD

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will expire at the conclusion of the AGM. To facilitate future allotment and issue of Shares by the Directors on behalf of the Company, the Board will seek the approval of the Shareholders for the grant of the Issue Mandate at the AGM.

The Directors have no immediate plans to allot and issue any new Shares other than Shares which may fall to be issued upon the exercise of options granted under the share option scheme of the Company or pursuant to any scrip dividend scheme which may be approved by the Shareholders or the Directors.

#### **4. REPURCHASE MANDATE AND EXTENSION MANDATE**

At the AGM, an ordinary resolution will also be proposed to give the Directors the Repurchase Mandate, i.e. a general and unconditional mandate to exercise all powers of the Company to repurchase, on GEM, or on any other stock exchange on which the Shares may be listed, shares of the Company up to a maximum of 10% of the nominal share capital of the Company in issue as at the date of passing the resolution.

In addition, an ordinary resolution regarding the Extension Mandate will be proposed at the AGM providing that any Shares repurchased under the Repurchase Mandate (up to a maximum of 10% of the issued Shares as at the date of passing the resolution) will be added to the total number of Shares which may be allotted and issued under the Issue Mandate.

Each of the Issue Mandate, the Repurchase Mandate and the Extension Mandate will expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company; (b) the end of the period within which the Company is required by the Companies Law or the Articles to hold its next annual general meeting; and (c) when revoked or varied by an ordinary resolution of the Shareholders in a general meeting prior to the next annual general meeting of the Company.

Under the GEM Listing Rules, the Company is required to give to all Shareholders all information which is reasonably necessary to enable Shareholders to make an informed decision as to whether to vote for or against the resolution in respect of the Repurchase Mandate at the AGM. An explanatory statement for such purpose is set out in Appendix II to this circular.

#### **5. RE-ELECTION OF DIRECTORS**

In accordance with article 86(3) of the Articles, Messrs. Leung Ngai Man and Chan Sing Fai will retire as Directors and, being eligible, offer themselves for re-election as Directors at the AGM.

In accordance with articles 87(1) and (2) of the Articles, Messrs. Chow Yeung Tuen, Richard and Ng Kam Yiu will retire as Directors and Mr. Chow Yeung Tuen, Richard, being eligible, will offer himself for re-election as Director at the AGM. Mr. Ng Kam Yiu will not offer himself for re-election.

Particulars of Messrs. Leung Ngai Man, Chan Sing Fai and Chow Yeung Tuen, Richard are set out in Appendix IV to this circular.

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## LETTER FROM THE BOARD

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### 6. ACTIONS TO BE TAKEN

The notice of the AGM is set out on pages 27 to 31 of this circular. A form of proxy for use at the AGM is enclosed with this circular.

At the AGM, ordinary resolutions will be proposed to approve, among other matters, the following matters:

- (a) the proposed termination of the Existing Scheme;
- (b) the proposed adoption of the New Scheme;
- (c) the proposed grant of general mandates to issue and repurchase shares; and
- (d) the proposed re-election of Directors.

Whether or not you are able to attend the AGM in person, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon as soon as possible and, in any event not later than 48 hours before the time for the AGM or any adjournment thereof to the Company's Hong Kong branch share registrar, Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM or any adjournment thereof should you so wish.

### 7. RECOMMENDATION

The Directors believe that (i) the proposed termination of the Existing Scheme; (ii) the proposed adoption of the New Scheme; (iii) the proposed grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate; and (iv) the proposed re-election of Directors are beneficial to and in the best interests of the Company and the Shareholders as a whole.

The Directors believe that an exercise of the Issue Mandate will enable the Company to take advantage of market conditions to raise additional capital for the Company.

The Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be exercised when the Directors believe that repurchases of Shares will benefit the Company and the Shareholders.

An exercise of the Repurchase Mandate in full may have a material adverse impact on the working capital and gearing position of the Company compared with that as at 31 December 2006, being the date of its latest published audited consolidated financial statements. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.

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## LETTER FROM THE BOARD

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Accordingly, the Directors recommend that all Shareholders should vote in favour of all the resolutions proposed at the AGM.

### **8. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection at the head office and principal place of business in Hong Kong of the Company at 12th Floor, 9 Des Voeux Road West, Hong Kong during normal business hours on any business day from the date hereof up to and including the date of the AGM:

- (i) the memorandum of association of the Company and the Articles; and
- (ii) the draft rules of the New Scheme.

### **9. GENERAL INFORMATION**

Your attention is drawn to the additional information set out in the appendices to this circular.

Yours faithfully,  
By Order of the Board of  
**Glory Future Group Limited**  
**Choi Koon Ming**  
*Chairman*

Set out below is a summary of the principal terms and conditions of the New Scheme to provide sufficient information to the Shareholders for their consideration of the New Scheme proposed to be adopted at the AGM.

**(1) Purpose of the New Scheme**

The purpose of the New Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contribution to the Group. The Directors consider that the New Scheme, with its broadened basis of participation, will enable the Group to reward the employees, the Directors and other selected participants for their contributions to the Group. Given that the Directors are entitled to determine any performance target to be achieved as well as the minimum period that an option must be held before an option can be exercised on a case by case basis, and that the exercise price of an option cannot in any event fall below the price stipulated in the GEM Listing Rules or such higher price as may be fixed by the Directors, it is expected that in order to capitalise on the benefits of the options granted, grantees of an option will contribute further to the development of the Group so as to bring about an increased value of the Shares.

**(2) Who may join**

The Directors may at their absolute discretion, invite any person belonging to any of the following classes of participants (“**Eligible Participants**”) to take up options to subscribe for Shares:

- (a) any employee (whether full time or part time, including any director) of the Company, any of its subsidiaries or any entity (“**Invested Entity**”) in which any member of the Group holds an equity interest (the persons are collectively referred to as “**Eligible Employees**”);
- (b) any directors (including non-executive directors and independent non-executive directors) of the Company, any Subsidiary or any Invested Entity;
- (c) any supplier of goods or services to any member of the Group or any Invested Entity;
- (d) any customer of any member of the Group or any Invested Entity;
- (e) any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity;
- (f) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;
- (g) any adviser (professional or otherwise), consultant, individual or entity who in the opinion of the Directors has contributed or will contribute to the growth and development of the Group; and

- (h) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group,

and, for the purposes of the New Scheme, the options may be granted to any company wholly owned by one or more persons belonging to any of the above classes of participants. For the avoidance of doubt, the grant of any options by the Company for the subscription of Shares or other securities of the Group to any person who falls within any of the above classes of participants shall not, by itself, unless the Directors otherwise determine, be construed as a grant of option under the New Scheme.

The basis of eligibility of any of the above class of participants to the grant of any option shall be determined by the Directors from time to time on the basis of the Directors' opinion as to his contribution to the development and growth of the Group.

### (3) Maximum number of Shares

- (a) The maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Scheme and any other share option schemes adopted by the Group shall not exceed 30% of the share capital of the Company in issue from time to time. No options may be granted under the New Scheme or any other share option scheme adopted by the Group if the grant of such option will result in the limit referred to in this paragraph being exceeded.
- (b) The total number of Shares which may be allotted and issued upon exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the New Scheme and any other share option schemes of the Group) to be granted under the New Scheme and any other share option scheme of the Group must not in aggregate exceed 10% of the Shares in issue as at the date of passing of the relevant resolution adopting the New Scheme (“**General Scheme Limit**”). On the basis that there were a total of 89,268,960 Shares in issue as at Latest Practicable Date and no further Shares will be issued or repurchased prior to the AGM, the Directors will be allowed to grant options carrying rights to subscribe for a maximum of 8,926,896 Shares under the General Scheme Limit.
- (c) Subject to sub-paragraph (a) of this paragraph (3) above and without prejudice to sub-paragraph (d) of this paragraph (3) below, the Company may seek approval of the Shareholders in general meeting to refresh the General Scheme Limit provided that the total number of Shares which may be allotted and issued upon exercise of all options to be granted under the New Scheme and any other share option scheme of the Group must not exceed 10% of the Shares in issue as at the date of approval of the limit and for the purpose of calculating the limit, options (including those outstanding, cancelled, lapsed or exercised in accordance with the New Scheme and any other share option scheme of the Group) previously granted

under the New Scheme and any other share option scheme of the Group will not be counted. The circular sent by the Company to the Shareholders shall contain, among other information, the information required by the GEM Listing Rules.

- (d) Subject to sub-paragraph (a) of this paragraph (3) above and without prejudice to sub-paragraph (c) of this paragraph (3) above, the Company may seek separate Shareholders' approval in general meeting to grant options beyond the General Scheme Limit or, if applicable, the extended limit referred to in sub-paragraph (c) of this paragraph (3) above to participants specifically identified by the Company before such approval is sought. In such event, the Company must send a circular to the Shareholders containing the information required by the GEM Listing Rules.

**(4) Maximum entitlement of each participant**

The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the New Scheme and any other share option scheme of the Group (including both exercised or outstanding options) to each participant in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being. Where any further grant of options, which would result in the Shares issued and to be issued upon exercise of all options granted and proposed to be granted to such person (including exercised, cancelled and outstanding options) under the New Scheme and any other share option schemes of the Group in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue, such further grant must be separately approved by Shareholders in general meeting with such grantee and his associates abstaining from voting.

**(5) Grant of options to certain connected persons**

- (a) Any grant of options under the New Scheme to a Director, chief executive or substantial shareholder of the Company or any of their respective associates must be approved by independent non-executive Directors (excluding any independent non-executive Director who or whose associate is the proposed grantee of the options).
- (b) Where any grant of options to a substantial Shareholder or an independent non-executive Director, or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:
  - (aa) representing in aggregate over 0.1% of the Shares in issue; and
  - (bb) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million;

such further grant of options must be approved by the Shareholders in general meeting. The Company must send a circular to the Shareholders containing the information required by the GEM Listing Rules. All connected persons (as defined in the GEM Listing Rules) of the Company must abstain from voting in favour at such general meeting.

**(6) Time of acceptance and exercise of option**

An option may be accepted by a participant within 21 days from the date of the offer for grant of the option.

An option may be exercised in accordance with the terms of the New Scheme at any time during a period to be determined and notified by the Directors to each grantee, which period may commence on a day after the date upon which the offer for the grant of options is made but shall end in any event not later than 10 years from the date of grant of the option subject to the provisions for early termination thereof. Unless otherwise determined by the Directors and stated in the offer for the grant of options to grantees, there is no minimum period required under the New Scheme for the holding of an option before it can be exercised.

**(7) Performance targets**

Unless the Directors otherwise determine and state in the offer of the grant of options to a grantee, a grantee is not required to achieve any performance targets before any options granted under the New Scheme can be exercised.

**(8) Subscription price for Shares and consideration for the option**

The subscription price for Shares under the New Scheme will be a price determined by the Directors, but shall not be less than the highest of (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet for trade in one or more board lots of the Shares on the date of the offer of grant; (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the offer of grant; and (c) the nominal value of a Share.

A nominal consideration of HK\$1 is payable on acceptance of the grant of an option.

**(9) Ranking of Shares**

- (a) Shares to be allotted and issued upon the exercise of an option will be subject to all the provisions of the Articles for the time being in force and will rank *pari passu* in all respects with the then existing fully paid Shares in issue on the date on which the option is duly exercised or, if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members ("**Exercise Date**") and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or made on or after the Exercise Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date

therefor shall be before the Exercise Date. A Share allotted and issued upon the exercise of an option shall not carry voting rights until the name of the grantee has been duly entered on the register of members of the Company as the holder thereof.

- (b) Unless the context otherwise requires, references to “Shares” in this paragraph include references to shares in the ordinary equity share capital of the Company of such nominal amount as shall result from a sub-division, consolidation, re-classification or re-construction of the share capital of the Company from time to time.

**(10) Restrictions on the time of grant of options**

- (a) An offer for the grant of options may not be made after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision until such price sensitive information has been published in the newspapers. In particular, during the period commencing one month immediately preceding the earlier of (i) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the GEM Listing Rules) for the approval of the Company’s results for any year, half-year, quarter-year period; and (ii) the deadline for the Company to publish announcements of its results for any year, half-year or quarter-year period under the GEM Listing Rules, and ending on the date of the results announcement, no option may be granted.
- (b) The Directors may not grant any option to a participant who is a Director during the periods or times in which the Directors are prohibited from dealing in Shares under such circumstances as prescribed by the GEM Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company.

**(11) Period of the New Scheme**

The New Scheme will remain in force for a period of 10 years commencing on the date on which the New Scheme is adopted.

**(12) Rights on ceasing employment**

If the grantee of an option is an Eligible Employee and ceases to be an Eligible Employee for any reason other than death, ill-health or retirement in accordance with his contract of employment or for serious misconduct or the termination of his employment on one or more of the grounds referred to in sub-paragraph (14) below before exercising his option in full, the option (to the extent not already exercised) will lapse on the date of cessation or termination and will not be exercisable unless the Directors otherwise determine in which event the grantee may exercise the option (to the extent not already exercised) in whole or in part within such period as the Directors may determine following the date of such cessation or termination, which will be taken to be the last day on which the grantee was at work with the Group or the Invested Entity whether salary is paid in lieu of notice or not.

**(13) Rights on death, ill-health or retirement**

If the grantee of an option is an Eligible Employee and ceases to be an Eligible Employee by reason of his death, ill-health or retirement in accordance with his contract of employment before exercising the option in full, his personal representative(s), or, as appropriate, the grantee may exercise the option (to the extent not already exercised) in whole or in part within a period of 12 months following the date of cessation of employment, which date shall be the last day on which the grantee was at work with the Group or the Invested Entity, whether salary is paid in lieu of notice or not or such longer period as the Directors may determine.

**(14) Rights on dismissal**

If the grantee of an option is an Eligible Employee and ceases to be an Eligible Employee by reason of termination of his employment on the ground that he has been guilty of persistent or serious misconduct or has committed any act of bankruptcy or has become insolvent or has made any arrangement or composition with his creditors generally, or has been convicted of any criminal offence (other than an offence which in the opinion of the Directors does not bring the grantee or the Group into disrepute), his option will lapse automatically and will not in any event be exercisable on or after the date of cessation to be an Eligible Employee.

**(15) Rights on breach of contract**

If the Directors shall at their absolute discretion determine that (a) (i) the grantee of any option has committed any breach of any contract entered into between the grantee on the one part and the Group or any Invested Entity on the other part, or (ii) that the grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his creditors generally; or (iii) the grantee could no longer make any contribution to the growth and development of the Group by reason of the cessation of its relations with the Group or by other reason whatsoever; and (b) the option granted to the grantee under the New Scheme shall lapse as a result of any event specified in sub-paragraph (a) (i) to (iii) of this paragraph (15) above, his option will lapse automatically and will not in any event be exercisable on or after the date on which the Directors have so determined.

**(16) Rights on a general offer, a compromise or arrangement**

If a general or partial offer, whether by way of take-over offer, share re-purchase offer, or scheme of arrangement or otherwise in like manner is made to all the Shareholders, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, the Company shall use all reasonable endeavours to procure that such offer is extended to all the grantees on the same terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the options granted to them, the Shareholders. If such offer becomes or is declared unconditional or such scheme of arrangement is formally proposed to the Shareholders, a grantee shall be, notwithstanding any other terms on which his option was granted, entitled

to exercise his option (to the extent not already exercised) to its full extent or to the extent specified in the grantee's notice to the Company in accordance with the provisions of the New Scheme exercise of his option at any time before the close of such offer (or any revised offer) or the record date for entitlements under such scheme of arrangement, as the case may be.

**(17) Rights on winding up**

In the event of a resolution being proposed for the voluntary winding-up of the Company during the option period, the grantee may, subject to the provisions of all applicable laws, by notice in writing to the Company at any time not less than two (2) business days before the date on which such resolution is to be considered and/or passed, exercise his option (to the extent not already exercised) either to its full extent or to the extent specified in such notice in accordance with the provisions of the New Scheme and the Company shall allot and issue to the grantee the Shares in respect of which such grantee has exercised his option not less than one (1) business day before the date on which such resolution is to be considered and/or passed whereupon he shall accordingly be entitled, in respect of the Shares allotted and issued to him in the aforesaid manner, to participate in the distribution of the assets of the Company available in liquidation *pari passu* with the Shareholders on the day prior to the date of such resolution. Subject thereto, all options then outstanding shall lapse and determine on the commencement of the winding-up.

**(18) Grantee being a company wholly owned by Eligible Participants**

If the grantee is a company wholly owned by one or more Eligible Participants:

- (a) paragraphs (12), (13), (14) and (15) shall apply to the grantee and to the options to such grantee, *mutatis mutandis*, as if such options had been granted to the relevant Eligible Participant, and such options shall accordingly lapse or fall to be exercisable after the event(s) referred to in paragraphs (12), (13), (14) and (15) shall occur with respect to the relevant Eligible Participant; and
- (b) the options granted to the grantee shall lapse and determine on the date the grantee ceases to be wholly owned by the relevant Eligible Participant provided that the Directors may in their absolute discretion decide that such options or any part thereof shall not so lapse or determine subject to such conditions or limitations as they may impose.

**(19) Adjustments to the subscription price**

In the event of any alteration in the capital structure of the Company whilst any option remains exercisable or the New Scheme remains in effect, and such event arises from a capitalisation of profits or reserves, rights issue, consolidation or sub-division of the Shares, or reduction of the share capital of the Company, then, in any such case the Company shall instruct the auditors or an independent financial adviser to certify in writing the adjustment, if any, that ought in their opinion fairly and reasonably to be made either generally or as regards any particular grantee, to (a) the number or nominal amount of Shares to which the New Scheme or any option(s) relate(s) (insofar as it is/they are unexercised); and/or (b) the

subscription price of any option; and/or (c) (unless the relevant grantee elects to waive such adjustment) the number of Shares comprised in an option or which remain comprised in an option, and an adjustment as so certified by the auditors or such independent financial adviser shall be made, provided that (a) any such adjustment shall give the grantee the same proportion of the issued share capital of the Company for which such grantee would have been entitled to subscribe had he exercised all the options held by him immediately prior to such adjustment; (b) no such adjustment shall be made the effect of which would be to enable a Share to be issued at less than its nominal value; (c) the issue of Shares or other securities of the Group as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustment; and (d) any such adjustment shall be made in compliance with such rules, codes and guidance notes of the Stock Exchange from time to time.

In respect of such adjustments, other than any adjustment made on a capitalisation issue, the auditors or such independent financial adviser must confirm to the Directors in writing that the adjustments satisfy the requirements of the relevant provisions of the GEM Listing Rules.

#### **(20) Cancellation of options**

Subject to paragraph (22) below and Chapter 23 of the GEM Listing Rules, any cancellation of options granted but not exercised must be subject to the written consent of the relevant grantee and the approval of the Directors. Where the Company cancels any option granted to a grantee but not exercised and issues new option(s) to the same grantee, the issue of such new option(s) may only be made with available unissued options (excluding, for this purpose, the options so cancelled) within the General Scheme Limit or the limits approved by the Shareholders in general meeting pursuant to sub-paragraph (c) or (d) of paragraph (3) above.

#### **(21) Termination of the New Scheme**

The Company may by ordinary resolution in general meeting at any time terminate the New Scheme and in such event no further options shall be offered but in all other respects the provisions of the New Scheme shall remain in force to the extent necessary to give effect to the exercise of any options (to the extent not already exercised) granted prior to the termination or otherwise as may be required in accordance with the provisions of the New Scheme. Options (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with the New Scheme.

#### **(22) Rights are personal to the grantee**

An option shall be personal to the grantee and shall not be transferable or assignable. The grantee shall not sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest whatsoever in favour of any third party over or in relation to any option or enter into any agreement so to do. Any breach of the foregoing by a grantee shall entitle the Company to cancel any option granted to such grantee to the extent not already exercised.

**(23) Lapse of option**

An option shall lapse automatically (to the extent not already exercised) on the earliest of:

- (a) the expiry of the period referred to in paragraph (6);
- (b) the expiry of the periods or dates referred to in paragraphs (12) to (18); and
- (c) the date on which the Directors shall exercise the Company's right to cancel the option by reason of a breach of paragraph (22) above.

**(24) Miscellaneous**

- (a) The New Scheme is conditional on (i) the Shareholders approving its adoption at the AGM; and (ii) the GEM Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, such number of Shares, representing the General Scheme Limit, which may fall to be allotted and issued by the Company pursuant to the exercise of the options which may be granted under the New Scheme.
- (b) The terms and conditions of the New Scheme relating to the matters set out in Rule 23.03 of the GEM Listing Rules shall not be altered to the advantage of grantees of the options except with the approval of the Shareholders in general meeting.
- (c) Any alterations to the terms and conditions of the New Scheme which are of a material nature or any change to the terms of options granted must be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the New Scheme.
- (d) The amended terms of the New Scheme or the options must still comply with the relevant requirements of Chapter 23 of the GEM Listing Rules.
- (e) Any change to the authority of the Directors or the scheme administrators in relation to any alteration to the terms of the New Scheme shall be approved by the Shareholders in general meeting.

**(25) Present status of the New Scheme**

Application will be made to the GEM Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, such number of Shares, representing the General Scheme Limit, which may fall to be allotted and issued by the Company pursuant to the exercise of any options which may be granted under the New Scheme.

This Appendix serves as an explanatory statement, as required by the GEM Listing Rules, to provide requisite information as to the proposed Repurchase Mandate.

## **1. GEM LISTING RULES RELATING TO THE REPURCHASE OF SHARES**

The GEM Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their shares on the Stock Exchange and any other stock exchange on which the securities of the company are listed and such exchange is recognised by the Securities and Futures Commission of Hong Kong subject to certain restrictions. Among such restrictions, the GEM Listing Rules provide that the shares of such company must be fully paid up and all repurchase of shares by such company must be approved in advance by an ordinary resolution of shareholders, either by way of a general repurchase mandate or by specific approval of a particular transaction.

## **2. SHARE CAPITAL**

As at the Latest Practicable Date, there were a total of 89,268,960 Shares in issue. Subject to the passing of the proposed resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company will be allowed under Repurchase Mandate to repurchase a maximum of 8,926,896 Shares.

## **3. REASONS FOR THE REPURCHASE**

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to seek a general authority from the Shareholders to enable the Company to repurchase the Shares on the Stock Exchange or any other stock exchange on which the Shares are listed. Share repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such repurchase will benefit the Company and the Shareholders as a whole.

## **4. FUNDING OF REPURCHASES**

Repurchase made pursuant to the Repurchase Mandate would be funded out of funds legally available for the purpose in accordance with the Company's memorandum of association, the Articles, the Companies Law and other applicable laws of Cayman Islands. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Under the Companies Law, repurchases by the Company may only be made out of profits of the Company or out of the proceeds of a fresh issue of Shares made for the purpose, or out of capital on if immediately following the date the payment out of capital is proposed to be made, the Company shall be able to pay its debts as they fall due in the ordinary course of business. Any premium payable on a purchase over the par value of the Shares to be purchased must be provided for out of profits of the Company or out of the Company's share premium account.

Taking into account the current working capital position of the Company, the Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of the Company as compared with the position as at 31 December 2006, being the date of its latest published audited consolidated financial statements. However, the Directors do not intend to make any repurchases to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing position of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

## 5. SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the 12 calendar months immediately preceding (and including) the Latest Practicable Date are as follows:

	Price per Share	
	Highest HK\$	Lowest HK\$
<b>2006</b>		
May	0.150	0.105
June	0.140	0.115
July	0.115	0.105
August	0.100	0.092
September	0.150	0.095
October	0.150	0.100
November	0.118	0.095
December	0.118	0.065
<b>2007</b>		
January	1.300	0.100
February	1.000	0.390
March	0.580	0.300
April	2.060	0.390
May (up to the Latest Practicable Date)	2.980	1.690

## 6. THE TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING

If a Shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of Rule 32 of the Hong Kong Code on Takeovers and Mergers ("**Takeovers Code**"). As a result, a Shareholder or group of Shareholders acting in concert (as defined in the Takeovers Code) could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, so far as is known to the Directors, the shareholding interests in the Company of the substantial shareholders (within the meaning of the GEM Listing Rules) are as follows:

<b>Name of substantial Shareholder</b>	<b>Number of Shares held</b>	<b>Approximate %</b>
Speedy Well Investments Limited	19,164,400	21.47
Lo Yuk Yee	9,081,960	10.17

*Note:* The above table only shows the beneficial owners of Shares. Identity of the controllers of such substantial shareholders is not shown.

Assuming that there would not be any change in the issued share capital of the Company prior to the repurchase of Shares and that each of the above substantial Shareholders would not dispose of its Shares nor acquire additional Shares prior to any repurchase of Shares, if the Repurchase Mandate were exercised in full, the percentage shareholding of the above substantial Shareholders would be increased as follows:

<b>Name of substantial Shareholder</b>	<b>Approximate % holding immediately prior to the exercise of the Repurchase Mandate in full</b>	<b>Approximate % holding immediately after the exercise of the Repurchase Mandate in full</b>
Speedy Well Investments Limited	21.47	23.85
Lo Yuk Yee	10.17	11.30

*Note:* The above table only shows the beneficial owners of Shares. Identity of the controllers of such substantial shareholders is not shown.

On the above basis, the exercise of the Repurchase Mandate in full would not trigger any general offer on the part of any of the substantial Shareholders named above under the Takeovers Code.

An exercise of the Repurchase Mandate whether in whole or in part will not result in less than 20% of the shares of the Company being held by the public.

## **7. SHARE REPURCHASE MADE BY THE COMPANY**

The Company had not purchased any of the Shares (whether on the Stock Exchange or otherwise) in the six months immediately preceding the Latest Practicable Date.

**8. DISCLOSURE OF INTERESTS AND UNDERTAKING OF THE DIRECTORS**

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates have any present intention to sell any Shares to the Company if the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that they will only exercise the power of the Company to make repurchase pursuant to the Repurchase Mandate in accordance with the GEM Listing Rules, the Articles and the applicable laws of Cayman Islands.

No connected person (as defined in the GEM Listing Rules) of the Company has notified the Company that he has a present intention to sell any Shares to the Company nor has any such connected person undertaken not to sell any Shares held by him to the Company in the event that the Repurchase Mandate is granted by the Shareholders to the Board.

Pursuant to article 66 of the Articles, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless voting by way of a poll is required by the rules of the designated stock exchange or (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (i) by the Chairman of the meeting; or
- (ii) by at least three Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
- (iii) by a Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or
- (iv) by a Shareholder or Shareholders present in person or in the case of a Shareholder 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; or
- (v) if required by the rules of the designated stock exchange, by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five per cent. (5%) or more of the total voting rights at the meeting.

Unless a poll is duly demanded and the demand is not withdrawn, a declaration by the Chairman that a resolution has on a show of hands been carried, or carried unanimously, or by a particular majority, or not carried by a particular majority, or lost, and an entry to that effect made in the minute book of the Company, shall be conclusive evidence of the facts without proof of the number or proportion of the votes recorded for or against the resolution.

**PARTICULARS OF DIRECTORS FOR RE-ELECTION**

The biographical details of the Directors eligible for re-election at the AGM are set out below:

**Leung Ngai Man, aged 46, executive Director***Qualification and experience*

Mr. Leung has over 20 years' experience in the areas of trading, property development and management in the PRC. Mr. Leung has established an extensive business and social network and relationship with numerous PRC companies. Mr. Leung commenced business in the property development sector in the 1990s. He was previously a vice chairman and general manager of China Land Group Limited (now known as China Velocity Group Limited), a company listed on the Main Board of the Stock Exchange and principally engaged in property development and investment in the PRC. Mr. Leung is an executive director of Sino Prosper Holdings Limited ("**Sino Prosper**"), a company listed on the Main Board of the Stock Exchange. Save as disclosed above, Mr. Leung had not held any directorship in public listed companies or other major appointment in the last three years. Apart from being an executive Director, Mr. Leung does not hold any other position with the Company or any of its subsidiaries.

*Interests in Shares*

As at the Latest Practicable Date, Mr. Leung was deemed to be interested in 19,164,400 Shares through his controlled corporation, Speedy Well Investments Limited, representing approximately 21.47% of the issued share capital of the Company, within the meaning of Part XV of the SFO.

*Others*

Mr. Leung has not entered into any service contract with the Company and has no fixed term of service with the Company. The emoluments to Mr. Leung have not been fixed but will be determined and subject to review by the Board and/or the remuneration committee of the Company from time to time by reference to his duties and responsibilities with the Company. He is subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the Articles. Save as disclosed and the co-directorship with Mr. Chan Sing Fai in Sino Prosper, Mr. Leung does not have any relationships with any directors, senior management, substantial shareholders or controlling shareholders of the Company.

**Chan Sing Fai, aged 50, independent non-executive Director***Qualification and experience*

Mr. Chan has about 24 years' experience in property development and management. He obtained a Master Degree in Business Administration from The Chinese University of Hong Kong in 1981. Mr. Chan is an independent non-executive director of Sino Prosper. Save as disclosed above, Mr. Chan had not held any directorship in public listed companies or other major appointment in the last three years. Apart from being an independent non-executive Director and a member of each of the audit committee and remuneration committee of the Company, Mr. Chan does not hold any other position with the Company or any of its subsidiaries.

*Interests in Shares*

As at the Latest Practicable Date, Mr. Chan did not have any interests in the Shares within the meaning of Part XV of the SFO.

*Others*

Mr. Chan, subject to negotiation with the Company, will enter into a service contract with the Company. The term of service of and emoluments to Mr. Chan have not been fixed but will be determined and subject to review by the Board and/or the remuneration committee of the Company from time to time by reference to his duties and responsibilities with the Company. He is subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the Articles. Other than the co-directorship with Mr. Leung Ngai Man in Sino Prosper, Mr. Chan does not have any relationships with any directors, senior management, substantial shareholders or controlling shareholders of the Company. Mr. Chan has confirmed his independence pursuant to Rule 5.09 of the GEM Listing Rules.

**Chow Yeung Tuen, Richard, aged 50, executive Director***Qualification and experience*

Mr. Chow joined the Group on 20 August 2001. Mr. Chow is a Certified Public Accountant with over 21 years of experience in auditing and taxation. Mr. Chow is also a Barrister of England and Wales. He is a fellow member of the Association of Chartered Certified Accountants, the Hong Kong Institute of Certified Public Accountants, the Hong Kong Institute of Chartered Secretaries and the Taxation Institute of Hong Kong. He also holds a Master Degree in Business Administration from the University of East Asia, Macau. Apart from being an executive Director and the Finance Director of the Company, Mr. Chow is also a director of a number of subsidiaries of the Company, namely E-silkroad.net Resources Limited, Business Essence Technology Limited, E-silkroad.net Corporation, E-silkroad.net Online Exhibition Limited, E-silkroad.net Online Commerce Limited and Leland Solutions Limited. Saved as disclosed, Mr. Chow does not hold any other position with the Company or any of its subsidiaries.

*Interests in Shares*

As at the Latest Practicable Date, Mr. Chow had been granted a share option to subscribe for 300,000 Shares under the Existing Scheme.

*Others*

Mr. Chow has not been appointed for a fixed term of employment and has not entered into any service contract with the Company and the emoluments in the amount of HK\$30,000 per month to Mr. Chow are determined by reference to his duties and responsibilities with the Company. He is subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the Articles. Mr. Chow does not have any relationships with any directors, senior management, substantial shareholders or controlling shareholders of the Company.

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## NOTICE OF THE AGM

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### GLORY FUTURE GROUP LIMITED

光彩未來集團有限公司

*(incorporated in the Cayman Islands with limited liability)*

**(stock code: 8071)**

#### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the annual general meeting of Glory Future Group Limited (“**Company**”) will be held at 12th Floor, 9 Des Voeux Road West, Hong Kong on Friday, 29 June 2007 at 11:00 a.m. to consider and, if thought fit, transact the following ordinary businesses:

1. to receive and approve the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors (“**Directors**”) of the Company and the Company’s auditors for the year ended 31 December 2006;
2. to consider the re-election of the retiring Directors, each as a separate resolution, and to authorise the board (“**Board**”) of Directors to fix the Directors’ remuneration;
3. to consider the re-appointment of Grant Thornton as the Company’s auditors and to authorise the Board to fix their remuneration;

and, as special businesses, to consider and, if thought fit, pass the following resolutions as ordinary resolutions (with or without modifications):

#### ORDINARY RESOLUTIONS

4. “**THAT** with effect from the close of business of the day on which this resolution is passed, the existing share option scheme (“**Existing Scheme**”) adopted by the Company on 19 February 2001 (a copy of the Existing Scheme having been produced to the meeting marked “**A**” and signed by the chairman of the meeting for the purpose of identification) be and it is hereby terminated and cease to have any further effect save and except that the Existing Scheme will remain in force to the extent necessary to give effect to the exercise of the options granted thereunder prior to termination thereof.”
5. “**THAT** subject to the passing of resolution numbered 4 and subject also to and conditional upon the GEM Listing Committee of The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) granting the listing of, and permission to deal in, such number of shares of the Company which may fall to be allotted and issued pursuant to the exercise of the option which may be granted under the rules of the new share option scheme (“**New Scheme**”), a draft of which is produced to the meeting marked “**B**” and signed by the chairman of the meeting

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for the purpose of identification, representing an amount (“**General Scheme Limit**”) up to 10 per cent. of the issued shares of the Company as at the date on which this resolution is passed, with effect from the close of business of the date on which this resolution is passed, the rules of the New Scheme be approved and adopted and the directors of the Company be and they are hereby authorised: (a) to approve any amendments to the rules of the New Scheme as may be acceptable or not objected to by the Stock Exchange; (b) at their absolute discretion to grant options to subscribe for shares of the Company in accordance with the rules of the New Scheme; (c) to allot, issue and deal with shares of the Company pursuant to the exercise of options granted under the New Scheme provided that the aggregate nominal amount of shares which fall to be allotted and issued pursuant to this authority, together with any issue of shares of the Company upon the exercise of any options granted under any other share option scheme as may from time to time be adopted by the Company or its subsidiaries, shall not exceed the General Scheme Limit; and (d) to take all such steps as may be necessary, desirable or expedient to carry into effect the New Scheme.”

6. “**THAT:**

- (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) (“**GEM Listing Rules**”), the exercise by the directors of the Company (“**Directors**”) during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and deal with the unissued shares (each, a “**Share**”) of HK\$0.01 each in the capital of the Company and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (d) below); or (ii) the exercise of any options granted under all share option schemes of the Company adopted from time to time in accordance with the GEM Listing Rules; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are

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## NOTICE OF THE AGM

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convertible into Shares shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution; and

(d) for the purposes of this resolution:

**“Relevant Period”** means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or the applicable law of the Cayman Islands to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution;

**“Rights Issue”** means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the Company’s register of members on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the Directors 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, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

7. **“THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period (as defined in paragraph (c) below) of all powers of the Company to repurchase shares of HK\$0.01 each in the capital of the Company (each, a **“Share”**) on The Stock Exchange of Hong Kong Limited (**“Stock Exchange”**), or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission of Hong Kong, the Stock Exchange, the Companies Law of the Cayman Islands and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares which may be repurchased or agreed to be repurchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10% of the

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## NOTICE OF THE AGM

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aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

(c) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or the applicable law of the Cayman Islands to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution.”

8. “**THAT** conditional on the passing of resolutions numbered 6 and 7 above, the general mandate granted to the directors of the Company pursuant to paragraph (a) of resolution numbered 6 above be and it is hereby extended by the addition to the aggregate nominal amount of the shares which may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to or in accordance with such general mandate of an amount representing the aggregate nominal amount of the share capital of the Company purchased by the Company pursuant to or in accordance with the authority granted under paragraph (a) of resolution numbered 7 above.”

By Order of the Board of  
**Glory Future Group Limited**  
**Choi Koon Ming**  
*Chairman*

Hong Kong, 5 June 2007

As at the date hereof, the Board comprised the following directors:

Executive directors:	Messrs. Choi Koon Ming, Chow Yeung Tuen, Richard, Ng Kam Yiu and Leung Ngai Man
Independent non-executive directors:	Messrs. Wu Tak Lung, Phillip King, Ng Cheuk Tat, Ambrose and Chan Sing Fai

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## NOTICE OF THE AGM

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*Head Office and Principal Place  
of Business in Hong Kong:*

12th Floor  
9 Des Voeux Road West  
Hong Kong

*Notes:*

- (1) Any member entitled to attend and vote at the above meeting is entitled to appoint one or, if he is the holder of two or more shares, more than one proxy to attend and vote on his behalf in accordance with the articles of association of the Company. A proxy need not be a member of the Company.
- (2) To be valid, a form of proxy and the power of attorney or other authority, if any, under which it is signed or a certified copy of such power or authority must be deposited at the Company's Hong Kong branch share registrar, Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time for holding the above meeting or any adjournment thereof.
- (3) Delivery of an instrument appointing a proxy should not preclude a member from attending and voting in person at the above meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (4) In the case of joint holders of a share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto to if more than one of such joint holders are present at the above meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.