
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 you should take, 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 SIM Technology Group Limited, you should at once hand this circular, together with the enclosed 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 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.



SIM Technology Group Limited

(晨訊科技集團有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 2000)

**PROPOSED GENERAL MANDATES
TO ISSUE AND TO REPURCHASE SHARES
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of SIM Technology Group Limited to be held at Taishan Room, 5th Floor, Island Shangri-La Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong, on Friday, 27 April 2007 at 10:00 a.m. is set out on pages 4 to 7 of this circular. Whether or not you are able to attend the annual general meeting in person, you are requested to complete the form of proxy accompanying the notice of the annual general meeting in accordance with the instructions printed thereon and return it to the Company's principal place of business in Hong Kong at Suites 5005-5006, 50th Floor, Central Plaza, No. 18 Harbour Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjourned meeting. Completion and delivery of the form of proxy shall not preclude shareholders from attending and voting in person at the meeting or any adjourned meeting should they so wish.

* *For identification purposes only*

LETTER FROM THE BOARD OF DIRECTORS

This circular includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") for the purpose of giving information with regard to SIM Technology Group Limited. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.



SIM Technology

SIM Technology Group Limited

(晨訊科技集團有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 2000)

Directors:

Ms Yeung Man Ying (*Chairman*)

Mr Wong Cho Tung

Mr Tsang Hen Loon, Raymond

Mr Zhang Jianping

Mr Wong Hei, Simon

Mr Wong Sun

Ms Tang Rongrong

Mr Heng Kwo Seng*

Mr Wang Chengwei*

Mr Zhuang Xingfang*

* *Independent non-executive directors*

Registered office:

Clarendon House

2 Church Street

Hamilton HK 11

Bermuda

*Principal place of business
in Hong Kong:*

Suites 5005-5006, 50th Floor

Central Plaza

No. 18 Harbour Road

Wanchai

Hong Kong

3 April 2007

To the Shareholders,

Dear Sir or Madam,

**PROPOSED GENERAL MANDATES
TO ISSUE AND TO REPURCHASE SHARES
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding the resolutions to be proposed at the annual general meeting of SIM Technology Group Limited (the "**Company**") to be held on 27 April 2007 at Taishan Room, 5th Floor, Island

* *For identification purposes only*

LETTER FROM THE BOARD OF DIRECTORS

Shangri-La Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong (the “**Annual General Meeting**”), the notice of which (the “**Notice of the Annual General Meeting**”) is set out on pages 4 to 7 of this circular. These proposed resolutions include the ordinary resolutions to (i) grant the directors of the Company (the “**Directors**”) general mandates to issue additional shares and repurchase existing shares of the Company and, subject to the passing of the resolutions approving the grant of the aforesaid general mandates, to extend the general mandate to allot, issue and deal with shares of the Company by an amount not exceeding the amount of shares purchased by the Company under the authority to repurchase; and (ii) re-elect the Directors who are due to retire at the Annual General Meeting.

GENERAL MANDATES TO ISSUE AND TO REPURCHASE SHARES

At the Annual General Meeting, an ordinary resolution will be proposed in the terms set out in Resolution 5A of the Notice of the Annual General Meeting to renew the general and unconditional mandate to authorise the Directors to allot, issue and otherwise deal with further additional shares of the Company of HK\$0.10 each (the “**Shares**”) representing up to 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing the resolution with effect from the expiry of the current general mandate to issue Shares granted to the Directors at the last annual general meeting of the Company held on 21 April 2006. In addition, if the resolution to authorise the Directors to repurchase Shares is passed, an ordinary resolution will be proposed to authorise the Directors to allot, issue and otherwise deal with further Shares up to an amount equal to the aggregate nominal amount of the Shares purchased under the authority to repurchase.

At the Annual General Meeting, an ordinary resolution will be proposed in the terms set out in Resolution 5B of the Notice of the Annual General Meeting to renew the general mandate to authorise the Directors to exercise the powers of the Company to repurchase Shares up to a limit of 10 per cent. in aggregate of the Company’s issued share capital at the date of passing the resolution (the “**Repurchase Mandate**”) with effect from the expiry of the current general mandate to repurchase Shares granted to the Directors at the last annual general meeting of the Company held on 21 April 2006.

The mandate allows the Company to make purchases only during the period ending on 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 to be held by its Bye-laws or any applicable laws or; (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the shareholders in a general meeting of the Company.

An explanatory statement as required under the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) giving information regarding the Repurchase Mandate is set out in Appendix I to this circular.

RE-ELECTION OF DIRECTORS

In accordance with Bye-law 87 of the Company’s Bye-laws, at the Annual General Meeting, Yeung Man Ying, Wong Sun, Wang Chengwei and Zhuang Xingfang will retire from office and they, being eligible, will offer themselves for re-election.

Details of the Directors who are proposed to be re-elected at the Annual General Meeting are set out in Appendix II to this circular.

LETTER FROM THE BOARD OF DIRECTORS

PROCEDURE FOR DEMANDING A POLL

Pursuant to Bye-law 66 of the Bye-laws of the Company, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:

- (i) by the chairman of such meeting; or
- (ii) by 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 for the time being entitled to vote at the meeting; or
- (iii) by 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 one-tenth of the total voting rights of all the Members having the right to vote at the meeting; or
- (iv) by a Member or Members present in person (or in the case of a Member being a corporation by its duly authorised representative) or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right; or
- (v) if required by the rules of the Stock Exchange, by any Director or Director who, individually or collectively, hold proxies in respect of shares representing five per cent. (5%) or more of the total voting rights at such meeting.

ANNUAL GENERAL MEETING

A notice convening the annual general meeting of the Company to be held at Taishan Room, 5th Floor, Island Shangri-La Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong, on Friday, 27 April 2007 at 10:00 a.m. is set out on pages 4 to 7 of this circular. Whether or not you are able to attend the annual general meeting in person, you are requested to complete the form of proxy accompanying the notice of the annual general meeting in accordance with the instructions printed thereon and return it to the Company's principal place of business in Hong Kong at Suites 5005-5006, 50th Floor, Central Plaza, No. 18 Harbour Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjourned meeting. Completion and delivery of the form of proxy shall not preclude you from attending and voting in person at the meeting or any adjourned meeting should you so wish.

RECOMMENDATION

The Directors believe that the all the resolutions set out in the Notice of the Annual General Meeting are in the best interests of the Company and its shareholders. Accordingly, the Directors recommend the shareholders to vote in favour of them.

Yours faithfully,
Yeung Man Ying
Chairman

NOTICE OF ANNUAL GENERAL MEETING



SIM Technology

SIM Technology Group Limited

(晨訊科技集團有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 2000)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of SIM Technology Group Limited (the “Company”) will be held at Taishan Room, 5th Floor, Island Shangri-La Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong on 27 April 2007 at 10:00 a.m. for the purpose of transacting the following business:

ORDINARY RESOLUTIONS

1. To receive and adopt the audited consolidated financial statements of the Company and the reports of the directors and the auditors for the year ended 31 December 2006.
2. To declare a final dividend for the year ended 31 December 2006.
3. To re-elect the retiring Directors and to authorise the board of directors to fix their remuneration.
4. To re-appoint Messrs. Deloitte Touche Tohmatsu as the auditors of the Company and to authorise the board of directors to fix their remuneration.
5. As special business, to consider and, if thought fit, pass with or without amendments the following resolutions as ordinary resolutions:

A. **“THAT:**

- (a) subject to paragraph (c) below, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options, including warrants to subscribe for shares, which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options, including warrants to subscribe for shares, which might require the exercise of such powers after the end of the Relevant Period;

NOTICE OF ANNUAL GENERAL MEETING

(c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than any allotment of the shares of the Company (i) pursuant to a Rights Issue (as hereinafter defined) or; (ii) on the exercise of the subscription rights attaching to any warrants which may be issued by the Company from time to time; or (iii) on the exercise of any options granted under the share option schemes of the Company; or (iv) in lieu of the whole or part of a dividend on shares in accordance with the Bye-laws of the Company, shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution, and the said approval shall be limited accordingly; and

(d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the 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 any applicable law or the Bye-laws of the Company to be held; and
- (iii) the passing of an ordinary resolution of the Company in general meeting revoking or varying the authority set out in this resolution.

“Rights Issue” means an offer of shares of the Company (the “Shares”) open for a period fixed by the Directors to holders of Shares whose names appear on the Register of Members of the Company on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

NOTICE OF ANNUAL GENERAL MEETING

B. “THAT:

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (for the purpose of this resolution, “Relevant Period” shall have the same meaning as assigned to it under resolution number 5A, as set out in the notice convening this meeting) of all the powers of the Company to repurchase shares of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the securities may be listed and which is recognised by the Securities and Futures Commission and the Stock Exchange for this purpose under the Code on Share Repurchases, subject to and in accordance with all applicable laws and/or the requirements of the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved; and
- (b) the aggregate nominal amount of securities authorised to be repurchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution and the said approval shall be limited accordingly.”

- C. “THAT** conditional on the passing of the resolutions set out in paragraphs 5A and 5B of the notice convening this meeting, the general mandate granted to the Directors to exercise the powers of the Company to allot, issue and deal with additional shares of the Company pursuant to the resolution set out in paragraph 5A of the notice convening this meeting be and is hereby extended by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandate of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to the resolution set out in paragraph 5B of the notice convening this meeting, provided that such extended amount shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution.”

NOTICE OF ANNUAL GENERAL MEETING

As at the date of this notice, the executive Directors are Ms Yeung Man Ying, Mr Wong Cho Tung, Mr Tsang Hen Loon, Raymond, Mr Zhang Jianping, Mr Wong Hei, Simon, Mr Wong Sun and Ms Tang Rongrong and the independent non-executive Directors are Mr Heng Kwoo Seng, Mr Wang Chengwei and Mr Zhuang Xingfang.

By Order of the Board
SIM Technology Group Limited
WONG Cho Tung
Director

Hong Kong, 3 April 2007

Principal place of business in Hong Kong:

Suites 5005-5006
50th Floor
Central Plaza
No. 18 Harbour Road
Wanchai
Hong Kong

Notes:

1. Any member of the Company holding two or more shares of the Company entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company. A form of proxy for use at the above meeting is enclosed herewith.
2. In the case of joint holders of a share, the vote of the person, whether attending in person or by proxy, whose name stands first on the Register of Members of the Company in respect of such share shall be accepted to the exclusion of the vote(s) of the other joint holder(s).
3. To be valid, this form of proxy, together with the power of attorney or other authority, if any, under which it is signed, or a certified copy of that power or authority must be deposited at the Company's principal place of business in Hong Kong at Suites 5005-5006, 50th Floor, Central Plaza, No.18 Harbour Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjourned meeting. Completion and return of the form of proxy will not preclude any member from attending and voting at the Annual General Meeting (or any adjournment thereof) in person.
4. The Register of Members of the Company will be closed from Wednesday, 25 April 2007 to Friday, 27 April 2007 (both dates inclusive) during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend to be approved at the meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Branch Registrars in Hong Kong, Computershare Hong Kong Investor Services Limited, Rooms 1712-6, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on Tuesday, 24 April 2007.

* *For identification purposes only*

The following is the explanatory statement required to be sent to shareholders of the Company under Rule 10.06 (1)(b) of the Listing Rules to provide requisite information to you for you to make an informed decision whether to vote for or against the resolution to approve the Repurchase Mandate.

1. Share capital

As at 29 March 2007, being the latest practicable date prior to the printing of this circular (the “**Latest Practicable Date**”), the issued share capital of the Company comprised 1,512,723,500 Shares.

Subject to the approval of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased prior to the passing of the relevant resolution at the Annual General Meeting, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 151,272,350 Shares.

2. Reasons for repurchases

The Directors believe that the Repurchase Mandate is in the best interests of the Company and its shareholders. Such repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value and/or earnings per Share and will only be made when the Directors believe that such repurchase will benefit the Company and its shareholders.

3. Funding of repurchases

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Memorandum of Association and Bye-laws and the laws of Bermuda. Bermuda law provides that the amount to be paid in connection with a share repurchase may only be paid out of the capital paid up on the relevant Shares or out of the funds of the Company which would otherwise be available for dividend or distribution or out of the proceeds of a fresh issue of Shares made for the purpose. The amount of premium payable on a repurchase may only be paid out of either the funds of the Company that would otherwise be available for dividend or distribution or out of the share premium account of the Company. It is envisaged that the funds required for any repurchase under the Repurchase Mandate would be derived from such sources.

There might be a material adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited accounts for the year ended 31 December 2006 in the event that the repurchase of Shares were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

4. Share prices

The highest and lowest prices at which the Shares on the Stock Exchange during each of the twelve months preceding the Latest Practicable Date were as follows:

Month	Per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2006		
March	3.975	2.400
April	4.075	3.400
May	4.650	3.550
June	4.450	3.175
July	4.050	3.490
August	4.050	3.320
September	3.710	3.010
October	3.160	2.470
November	3.510	2.640
December	3.720	3.040
2007		
January	3.280	2.910
February	3.240	2.590
March (up to the Latest Practicable Date)	2.900	2.150

5. Undertaking

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules, the applicable laws of Bermuda and the Memorandum of Association and Bye-laws of the Company.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates, has any present intention to sell any Shares to the Company or its subsidiaries under the Repurchase Mandate if such Repurchase Mandate is approved by the shareholders.

No connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company or its subsidiaries and no such persons has undertaken not to do so, in the event that the Repurchase Mandate is approved by the shareholders.

6. Hong Kong Code on Takeovers and Mergers

If on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Hong Kong Code on Takeovers and Mergers (the "**Takeovers Code**"). As a result, a shareholder or group of shareholders acting in concert 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, Info Dynasty Group Limited, Simcom Limited and Intellipower Investments Limited, Ms Yeung Man Ying, Mr Wong Cho Tung, Mr Wong Hei, Simon and Mr Wong Sun (together the "**Concert Group**") were together beneficially interested in 1,010,220,000 Shares, representing approximately 66.78% of the issued share capital of the Company. In the event that the Directors should exercise in full the Repurchase Mandate and if there is no other change in the issued share capital of the Company, the shareholding of the Concert Group will be increased to approximately 74.20% of the issued share capital of the Company. The Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any repurchases made under the Repurchase Mandate.

7. Share repurchases made by the Company

The Company has not repurchased any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

EXECUTIVE DIRECTORS

Ms Yeung Man Ying (楊文瑛) (“Mrs Wong”), aged 62, is chairman and executive Director of the Company, chairperson of Shanghai Sunrise Electronic Technology Co., Limited (“Shanghai Sunrise”) and director of Sunrise Electronic Industry Limited (“SEIL”), both being wholly-owned subsidiaries of the Company. Save as disclosed above, Mrs Wong does not have other positions with the Group. Mrs Wong is responsible for developing strategic direction and development of the Company and its subsidiaries (the “Group”). In 1986, Mrs Wong together with her spouse, Mr. Wong Cho Tung, founded Sunrise Technology Limited (“Sunrise Technology (HK)”), a company which engaged in the distribution of electronic components. Over the years, Mrs Wong and Mr Wong Cho Tung had established a number of companies which engaged in the electronics and telecommunications business including Shanghai Sunrise which was established in November 1993 and which is one of the major operating subsidiaries of the Group. Mrs Wong has accumulated over 20 years of operations and management experience in the electronics and telecommunications industry. Before setting up Sunrise Technology (HK), Mrs Wong also lectured at the Electrical Department of the South China University of Technology in 1977. Mrs Wong has been a guest professor at Tongji University since 2003. Mrs Wong graduated in 1968 from the Beijing University of Aeronautics and Astronautics, specialising in electrical engineering.

Mrs Wong is the spouse of Mr Wong Cho Tung, the executive Director of the Company and the mother of Mr Wong Hei, Simon, President and executive Director of the Company and Mr Wong Sun, executive Director of the Company.

Save as disclosed above, Mrs Wong does not have any relationship with any Directors, senior management, substantial or controlling shareholders of the Company.

At the Latest Practicable Date, Mrs Wong was interested in 893,895,000 Shares within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”). Pursuant to the service agreement entered into between Mrs Wong and the Company, Mrs Wong is entitled to a fixed salary of HK\$1 per annum which was reviewed and approved by the Remuneration Committee of the Company (the “Remuneration Committee”) based on factors including the term on remuneration (HK\$1) as set out in the service agreement entered between the Company and Mrs Wong in 2005 and Mrs Wong’s family interest in the shareholding of the Company. The service agreement also provides that, subject to the decision of the Remuneration Committee, the Company may also grant to Mrs Wong options to subscribe for Shares in accordance with the share option schemes adopted or to be adopted by the Company.

Under the service agreement between the Company and Mrs Wong, Mrs Wong’s appointment will be for a term of three years from 31 May 2005, subject to retirement by rotation and re-election at general meetings of the Company as and when required under the Bye-laws of the Company.

Mr Wong Sun (王晨), aged 34, is an executive Director of the Company, vice chairman and director of Shanghai Sunrise, director of SEIL and is responsible for the business development and operation of the Group. Save as disclosed above, Mr Wong Sun does not have other positions with the Group. He is the son of Mr Wong Cho Tung and Mrs Wong and the elder brother of Mr Wong Hei, Simon, President and executive Director of the Company. Since joining Sunrise Technology (HK), the original holding company of Shanghai Sunrise, in 1996, Mr Wong Sun has been involved in the sales operations of the Group in Beijing, Shanghai and Shenzhen and has been responsible for the management of the investment and business development of Sunrise Technology (HK) and the Group. Mr Wong Sun joined the Group as a director of SEIL since February 2000 and subsequently became a director of Shanghai Sunrise in March 2000. Mr Wong Sun has over 10 years of experience in the electronics and telecommunications industry and extensive experience in investment and business management. In 1994, Mr Wong Sun obtained a bachelor's degree in science from the University of Southern California specialising in engineering and in 2004, a master's degree in business administration from the China Europe International Business School.

Mr Wong Sun is the son of Mr Wong Cho Tung, executive Director of the Company and Mrs Wong, Chairman and executive Director of the Company and the brother of Mr Wong Hei, Simon, executive Director and President of the Company. Save as disclosed above, Mr Wong Sun does not have any relationship with any Directors, senior management, substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, apart from holding 1 share in Info Dynasty Group Limited, an associated corporation of the Company under the SFO holding approximately 59.07% interest in the Company as at the date of this circular, Mr Wong Sun had no other interest in Shares within the meaning of Part XV of the SFO. Pursuant to the service agreement entered into between Mr Wong Sun and the Company, Mr Wong Sun is entitled to (i) a fixed salary of HK\$1 per annum which was reviewed and approved by the Remuneration Committee based on factors including the term on remuneration (HK\$1) as set out in the service agreement entered between the Company and Mr Wong Sun in 2005 and Mr Wong's family interest in the shareholding of the Company; and (ii) subject to the decision of the Remuneration Committee, the Company may also grant to Mr Wong Sun, options to subscribe for Shares in accordance with the share option schemes adopted or to be adopted by the Company.

Under the service agreement between Mr Wong Sun and the Company, Mr Wong Sun's appointment will be for a term of three years from 31 May 2005, subject to retirement by rotation and re-election at general meetings of the Company as and when required under the Bye-laws of the Company.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr Wang Chengwei (汪誠蔚) (“**Mr Wang**”), aged 67, is an independent non-executive Director and a member of Audit Committee and Remuneration Committee of the Company. Save as disclosed above, Mr Wang does not have other positions with the Group. Mr Wang has 30 years experience in the steel industry. Mr Wang joined Bao Steel Group in 1980 and has held a number of senior positions including vice commander of 上海寶鋼工程指揮部 (Shanghai Bao Steel Construction Headquarters) and chairman of the board of several of its joint venture companies. Mr Wang is a winner of first class award of national technology improvements granted by the State in 1993. Mr Wang graduated from Beijing University of Mechanical Engineering in 1964. Mr Wang was appointed as an independent non-executive Director in January 2005. Mr Wang does not have any relationship with any other Directors, senior management, substantial or controlling shareholders of the Company and does not have any interest in Shares within the meaning of Part XV of the SFO.

Pursuant to the appointment letter entered into between Mr Wang and the Company, the Director’s fee of Mr Wang as independent non-executive Director is US\$20,000 per annum. Under the appointment letter between Mr Wang and the Company, Mr Wang’s appointment will be for a maximum term of three years from 25 January 2005, subject to retirement by rotation and re-election at general meetings of the Company as and when required under the Bye-laws of the Company. The Director’s fee of Mr Wang is determined by reference to his duties and responsibilities and the prevailing market condition.

Mr Wang, being an independent non-executive Director of the Company eligible for re-election at the Annual General Meeting, has made an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company is of the view that Mr Wang meets the independence guidelines set out in Rule 3.13 of the Listing Rules and is independent in accordance with the terms of the guidelines.

Mr Zhuang Xingfang (庄行方) (“**Mr Zhuang**”), aged 58, is an independent non-executive Director, chairman of Remuneration Committee and a member of Audit Committee of the Company. Save as disclosed above, Mr Zhuang does not have other positions with the Group. Mr Zhuang is a graduate in management engineering of Hangzhou University of Electronics Technology Industry and obtained a master’s degree in engineering in 1996. He has acted as deputy head of Plant 877 of the Ministry of Electronics Industry and the Economic Adjustment and Stateowned Assets Supervisory Department of the Ministry of Electronics Industry. He is now the chairman of the Hong Kong-listed CCID Consulting Company Limited and deputy director of the Alliance for the Promotion of Informatisation in China. He is a senior accountant and registered accountant (non-practising member) of relevant bodies of the People’s of Republic of China. Mr Zhuang was appointed as an independent non-executive Director in January 2005. Mr Zhuang does not have any relationship with any other Directors, senior management, substantial or controlling shareholders of the Company and does not have any interest in Shares within the meaning of Part XV of the SFO.

Pursuant to the appointment letter entered into between Mr Zhuang and the Company, the Director’s fee of Mr Zhuang as independent non-executive Director is US\$20,000 per annum. Under the appointment letter between Mr Zhuang and the Company, Mr Zhuang’s appointment will be for a maximum term of three years from 25 January 2005, subject to

APPENDIX II DETAILS OF DIRECTORS TO BE RE-ELECTED

retirement by rotation and re-election at general meetings of the Company as and when required under the Bye-laws of the Company. The Director's fee of Mr Zhuang is determined by reference to his duties and responsibilities and the prevailing market condition.

Mr Zhuang, being an independent non-executive Director of the Company eligible for re-election at the Annual General Meeting, has made an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company is of the view that Mr Zhuang meets the independence guidelines set out in Rule 3.13 of the Listing Rules and is independent in accordance with the terms of the guidelines.

Further details of the interests of the above Directors required to be disclosed under Part XV of the SFO will be set out on pages 35 to 37 in the Annual Report of the Company.

Each of Ms Yeung Man Ying, Mr Wong Sun, Mr Wang Chengwei and Mr Zhuang Xingfang has confirmed to the Board of Directors that the details set out in paragraphs (h) to (v) of Rule 13.51 (2) of the Listing Rules are not relevant to him or her and therefore no information needs to be disclosed by any of them in relation to those paragraphs. Each of Ms Yeung Man Ying, Mr Wong Sun, Mr Wang Chengwei and Mr Zhuang Xingfang has further confirmed to the Board of Directors that save as disclosed above, there is no other matter that needs to be brought to the shareholders' attention in relation to their re-election as Directors.