



CAPITAL PROSPER LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 1003)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of Capital Prosper Limited (the “Company”) will be held at Ming Room I, 4/F, Sheraton Hong Kong Hotel & Towers, 20 Nathan Road, Kowloon, Hong Kong on Tuesday, 8 June 2004 at 3:00 p.m. for the following purposes:

- To receive and consider the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors of the Company (the “Directors”) and the auditors of the Company (the “Auditors”) for the year ended 31 December 2003.
- To re-elect Directors and to authorise the board of Directors to fix the Directors’ remuneration.
- To re-appoint Auditors and to authorise the board of Directors to fix their remuneration.

As special business, to consider and, if though it, to pass with or without modification the following resolutions as Ordinary Resolutions:

ORDINARY RESOLUTIONS

- “THAT:**
 - subject to paragraph (c) below of Resolution number 4, the exercise by the Directors during the Relevant Period (as defined in paragraph (d) below of Resolution number 4) of all the powers of the Company to allot, issue and deal with additional Shares or securities convertible into Shares, or options, warrants or similar rights to subscribe for any Shares, and to make or grant offers, agreements and options which would or might require the exercise of such powers, be and is hereby generally and unconditionally approved;
 - the approval in paragraph (a) above of Resolution number 4 shall be in addition to any other authorisations given to the Directors and shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such powers at any time during or after the end of the Relevant Period;
 - 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 of Resolution number 4, otherwise than pursuant to:
 - a Rights Issue (as defined in paragraph (d) below of Resolution number 4);
 - the exercise of rights of subscription or conversion under terms of any warrants issued by the Company or any securities which are convertible into Shares;
 - the exercise of any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of Shares or rights to acquire Shares;
 - any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Bye-laws of the Company (the “Bye-Laws”), 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 of this Resolution number 4 and the said approval shall be limited accordingly; and
 - for the purpose of this Resolution number 4:

“Relevant Period” means the period from the passing of this Resolution number 4 until whichever is the earliest of:

 - the conclusion of the next annual general meeting of the Company; or
 - the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws or any applicable laws of Bermuda to be held; or
 - the revocation or variation of the authority given under this Resolution number 4 by an ordinary resolution of the Shareholders in general meeting.

“Rights Issue” means the allotment, issue or grant of Shares pursuant to an offer of Shares open for a period fixed by the Directors to the holders of Shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in any territory outside Hong Kong applicable to the Company).”

- “THAT:**
 - subject to paragraph (b) below of Resolution number 5, the exercise by the Directors during the Relevant Period (as defined in paragraph (c) below of Resolution number 5) of all the powers of the Company to repurchase the Shares on the Stock Exchange or on any other stock exchange on which the Shares of the Company may be listed and recognised for this purpose by the Securities and Futures Commission and the Stock Exchange under the Hong Kong Code on Share Repurchases and, subject to and in accordance with all applicable laws and the Rules Governing the Listing of Securities on the Stock Exchange, be and is hereby generally and unconditionally approved;
 - the aggregate nominal amount of Shares which may be repurchased pursuant to the approval in paragraph (a) above of Resolution number 5 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 of this Resolution number 5 and the said approval shall be limited accordingly; and
 - for the purpose of this Resolution number 5:

“Relevant Period” means the period from the passing of this Resolution number 5 until whichever is the earliest of:

 - the conclusion of the next annual general meeting of the Company; or
 - the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws or any applicable laws of Bermuda to be held; or
 - the revocation or variation of the authority given under this Resolution number 5 by an ordinary resolution of the Shareholders in general meeting.”
- “THAT** conditional upon the passing of Resolutions number 4 and 5 as set out above, the general mandate granted to the Directors to exercise the powers of the Company to allot, issue and otherwise deal with Shares or securities convertible into Shares, or options, warrants or similar rights to subscribe for any Shares, and to make or grant offers, agreements and options which might require the exercise of such powers pursuant to Resolution number 4 above 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 Resolution number 5 above, provided that such 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 of this Resolution.”

As special business, to consider and, if thought fit, to pass with or without modification the following resolution as a Special Resolution:

SPECIAL RESOLUTION

- “THAT** the existing Bye-Laws be and are hereby amended in the following manner:
 - by deleting the definition of “associate(s)” in Bye-Law 1A of the existing Bye-Laws in its entirety and inserting in its place a new definition of “associate(s)” in the following form:

““associate(s)” in relation to any Director, chief executive or substantial shareholder, shall have the meaning assigned to it by the Listing Rules;”
 - by deleting the definition of “Clearing House” in Bye-law 1A of the existing Bye-laws in its entirety and inserting in its place a new definition of “Clearing House” in the following terms:—

“Clearing House” shall mean a recognised clearing house within the meaning of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) or a clearing house or authorised shares depository recognised by the laws of the jurisdiction in which the shares of the Company are listed or quoted on a stock exchange in such jurisdiction;
 - by adding a new definition of “Listing Rules” to the position after the definition of the “holding company” in Bye-Law 1A of the existing Bye-Laws in the following form:

““Listing Rules” shall mean the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time);”

- by adding a new paragraph to Article number 76 of the existing Bye-Laws as the second paragraph to Article number 76 in the following form:

“Where any shareholder is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.”

- by deleting Article number 87B of the existing Bye-Laws in its entirety and inserting in its place a new Article number 87B in the following form:

“If a Clearing House (or its nominee) is a shareholder or a warrant holder of the Company, it may appoint such person or persons as it thinks fit to act as its proxies or proxies or as its corporate representative or representatives, to the extent permitted by the Companies Act, at any meeting of the Company or at any meeting of any class of shareholders or warrant holders of the Company provided that, if more than one proxy or, corporate representative is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy or corporate representative is so appointed. A person so appointed under the provisions of this Bye-law shall be entitled to exercise the same powers on behalf of the Clearing House (or its nominee) which he represents as that Clearing House (or its nominee) could exercise as if it were an individual shareholder or an individual warrant holder including the right to vote individually on a show of hands notwithstanding the provisions of Bye-laws 76 and 81. The number of persons a Clearing House (or its nominee) may appoint to act as its corporate representative or representatives shall not exceed the number of shares or warrants held by a Clearing House (or its nominee), being shares or warrants in respect of which there is an entitlement to attend and vote at the relevant meeting.”

- by deleting Article number 98H of the existing Bye-Laws in its entirety and inserting in its place a new Article number 98H in the following form:

“98(H) A Director shall not vote (nor shall he be counted in the quorum) on any resolution of the Board in respect of any contract or arrangement or proposal in which he or any of his associate(s) has/ have a material interest, and if he shall do so his vote shall not be counted (nor shall he be counted in the quorum for that resolution), but this prohibition shall not apply to any of the following matters namely:—

- the giving of any security or indemnity either:
 - to the Director or his associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries; or
 - to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
- any proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- any proposal concerning any other company in which the Director or his associate(s) is/ are interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the Director or his associate(s) is/are beneficially interested in shares of that company, provided that the Director and any of his associates are not in aggregate beneficially interested in 5% or more of the issued shares of any class of such company (or of any third company through which his interest or that of his associate(s) is derived) or of the voting rights;
- any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:
 - the adoption, modification or operation of any employees’ share scheme or any share incentive or share option scheme involving the issue or grant of options over shares or other securities by the Company under which the Director or his associate(s) may benefit; or
 - the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to Directors, his associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or his associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and
- any contract or arrangement in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.”

- by deleting existing Article number 103 of the existing Bye-Laws in its entirety and inserting in its place a new Articles number 103 in the following form:

“No person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been lodged at the Head Office or at the Registered Office at least seven days before the date of the general meeting. The period for lodgment of the notices required under this bye-law will commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than 7 days prior to the date of such general meeting.”

and that any Director be and is hereby authorised to take such further action as he/she may, in his/her sole and absolute discretion thinks fit for and on behalf of the Company to implement the aforesaid amendments to the existing Bye-Laws.”

By Order of the Board of
Capital Prosper Limited
Wah Luk Tak
Company Secretary

Hong Kong, 30 April 2004

Principal place of business in Hong Kong
Unit A9, 3/F, Block A,
Hong Kong Industrial Center
489-491 Castle Peak Road
Kowloon, Hong Kong

Notes:

- A form of proxy for use at the annual general meeting is enclosed.
- A member of the Company entitled to attend and vote at the annual general meeting convened by the above notice is entitled to appoint one proxy or more proxies to attend and vote instead of him at the meeting. A proxy need not be a member of the Company.
- To be valid, a form of proxy together with a power of attorney or other authority, if any, under which it is signed or a notariarily certified copy of that power of attorney or authority must be lodged with the principal place of business in Hong Kong at Unit A9, 3/F, Block A, Hong Kong Industrial Center, 489-491 Castle Peak Road, Kowloon, Hong Kong, not less than 48 hours before the time appointed for holding the annual general meeting or any adjournment thereof. Completion and return of the proxy will not preclude any member from attending and voting at the annual general meeting (or any adjournment thereof) in person.
- In the case of joint holders of any Share, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such Share as if he were solely entitled thereto; but if more than one of such joint holders are present at the meeting personally or by proxy, then one of the said persons so present whose name stands first on the register in respect of such Share shall alone be entitled to vote in respect thereof.
- An explanatory statement containing further details regarding Resolution number 5 above is set out in the appendix to the circular of the Company of which this notice forms part.

As at the date of this announcement, the Board comprises Mr. Leung Wai Ho, Mr. Wong Chung Shun as executive Directors and Mr. Lam Lee G and Mr. Lam Kwok Cheong as independent non-executive Directors.