



Water Oasis Group Limited

(incorporated in the Cayman Islands with limited liability)
(Stock Code: 1161)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting (the “Meeting”) of Water Oasis Group Limited (the “Company”) will be held on Thursday, 10th March 2005 at 10:00 a.m. at Salon I & II, Grand Hyatt Hong Kong, 1 Harbour Road, Hong Kong for the following purposes:-

1. To receive and consider the audited consolidated accounts and reports of the directors and auditors of the Company and its subsidiaries for the year ended 30th September 2004.
2. To declare a final dividend for the year ended 30th September 2004.
3. To re-elect Mr. Yu Kam Shui, Erastus as an executive director of the Company.
4. To re-elect Ms. Yu Lai Chu, Eileen as an executive director of the Company.
5. To re-elect Dr. Wong Chi Keung as an independent non-executive director of the Company.
6. To determine the directors’ remuneration for their services and to authorise the Board of Directors to fix the directors’ remuneration.
7. To re-appoint PricewaterhouseCoopers as auditors and to authorise the Board of Directors to fix their remuneration.

As special business, to consider and, if thought fit, pass, with or without amendments, the following resolutions as ordinary resolutions of the Company:-

ORDINARY RESOLUTIONS

8. **“THAT:**

- (A) subject to paragraph (C) of this resolution 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, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (B) the Directors be and are hereby authorised during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers during or after the end of the Relevant Period;
- (C) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraphs (A) and (B) of this resolution above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) the exercise of any options granted under the share option scheme adopted by the Company 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 subscribe for shares in the Company; or (iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in the Company in lieu of the whole or part of a dividend in accordance with the articles of association of the Company from time to time, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue at the time 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 time 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 laws of the Cayman Islands or the Company’s articles of association to be held; or
 - (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares on the register of members 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 any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange).”

9. **“THAT:**

- (A) subject to paragraph (C) of this resolution below, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase issued shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, and that the exercise by the Directors of all powers of the Company to repurchase such shares are subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange, be and is hereby, generally and unconditionally approved;
- (B) the approval in paragraph (A) of this resolution above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to repurchase its shares at a price determined by the Directors;
- (C) the aggregate nominal amount of share capital of the Company repurchased or agreed conditionally or unconditionally to be repurchased by the Company pursuant to the approval in paragraph (A) of this resolution above during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the time 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 time 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 laws of the Cayman Islands or the Company's articles of association to be held; or
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting."
10. "THAT conditional upon the passing of ordinary resolution nos. 8 and 9 in the notice convening the annual general meeting of the Company, the aggregate nominal amount of the share capital of the Company which are repurchased by the Company pursuant to and in accordance with the said ordinary resolution no. 9 shall be added to the aggregate nominal amount of the share capital of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to and in accordance with the said ordinary resolution no. 8."

As special business, to consider and, if thought fit, pass, with or without amendments, the following resolution which will be proposed as a special resolution of the Company:-

SPECIAL RESOLUTION

11. "THAT the articles of associations of the Company be and are hereby amended as follows:-
- (a) By inserting the following new definition of "associate" in the existing Article 2(1):
- "associate" shall have the meaning attributed to it in the rules of the Designated Stock Exchange."
- (b) By deleting the words "a recognised clearing house within the meaning of Section 2 of the Securities and Futures (Clearing Houses) Ordinance of Hong Kong or" from the existing definition of "clearing house" in the existing Article 2(1).
- (c) By deleting the existing definition of "Subsidiary and Holding Company" and replacing therefor the following new definition in the existing Article 2(1):
- "Subsidiary and Holding Company" the meanings attributed to them in the rules of the Designated Stock Exchange."
- (d) By inserting the following words at the end of the existing Article 2(2)(e) after the words "in a visible form":
- ", and including where the representation takes the form of electronic display, provided that both the mode of service of the relevant document or notice and the Member's election comply with the applicable Statutes, rules and regulations".
- (e) By deleting "." at the end of the existing Article 2(2)(g) and replacing therewith a ";", and the word "and", and inserting the following paragraph as new Article 2(2)(h):
- "references to a document being executed include references to it being executed under hand or under seal or by electronic signature or by any other method and references to a notice or document include a notice or document recorded or stored in any digital, electronic, electrical, magnetic or other retrievable form or medium and information in visible form whether having physical substance or not."
- (f) By inserting the following sentence at the end of the existing Article 3(2):
- "The Company is hereby authorised to make payments in respect of the purchase of its shares out of capital or out of any other account or fund which can be authorised for this purpose in accordance with the Law."
- (g) By deleting the words "share premium account or any" in the second and third lines of the existing Article 6.
- (h) By inserting the words "or convertible securities or securities of similar nature" immediately after the words "The Board may issue warrants" in the first line of the existing Article 12(2).
- (i) By deleting the existing Article 44 in its entirety and replacing therewith the following new Article 44:
- "The Register and branch register of Members, as the case may be, shall be open to inspection for at least two (2) hours on every business day by Members without charge or by any other person, upon a maximum payment of \$2.50 or such lesser sum specified by the Board, at the Office or such other place at which the Register is kept in accordance with the Law or, in the case of the branch register of Members, if appropriate, upon a maximum payment of \$1.00 or such lesser sum specified by the Board at the Registration Office. The Register including any overseas or local or other branch register of Members, may, after notice has been given by advertisement in an appointed newspaper or any other newspapers in accordance with the requirements of any Designated Stock Exchange or by any means in such manner as may be accepted by the Designated Stock Exchange to that effect, be closed at such times or for such periods not exceeding in whole thirty (30) days in each year as the Board may determine and either generally or in respect of any class of shares."
- (j) By deleting the words "and, where applicable," and replacing them with the word "or" in the second line of the existing Article 51 and by inserting the words "or by any means in such manner as may be accepted by the Designated Stock Exchange" after the words "any other newspapers" in the second and third lines of the existing Article 51.
- (k) By deleting the words "and adoption" after the word "consideration" at the beginning of the existing Article 61(1)(b), deleting the word "and" at the end of the existing Article 61(e), replacing the "." with a ";" and adding the word "and" at the end of the existing Article 61(1)(f) and by inserting the following clause as new Article 61(1)(g):
- "(g) the granting of any mandate or authority to the Directors to purchase securities of the Company."
- (l) By re-numbering the existing Article 76 as Article 76(1) and inserting the following as new Article 76(2):
- "(2) Where any Member is, under the rules of the Designated Stock Exchange, required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such Member in contravention of such requirement or restriction shall not be counted."
- (m) By deleting the last sentence in the existing Article 80 and replacing therewith the following sentence:
- "Delivery of an instrument appointing a proxy shall not preclude a Member from attending and voting in person on any or all resolutions on which he is entitled to vote at the meeting and in such event, any vote cast by his proxy on the same resolution shall be null and void."
- (n) By inserting the words "deemed to have been duly authorised without further evidence of the facts and be" immediately after the words "Each person so authorised under the provisions of this Article shall be" in the fifth line of the existing Article 84(2).
- (o) By deleting the words "provided that notwithstanding anything herein, the chairman of the Board and/or the managing director of the Company shall not, whilst holding such office, be subject to retirement by rotation or be taken into account in determining the number of Directors to retire in each year" in the existing Article 87(1).
- (p) By deleting the existing Article 88 in its entirety and replacing therefor the following new Article 88:
- "88. No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a Notice signed by a Member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a Notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office or at the Registration Office. The period for lodgment of such Notice(s) shall commence on (and include) the day after the dispatch of the notice of the general meeting appointed for such election and end on (and exclude) the day that is seven (7) days prior to the date of such general meeting."

- (q) By inserting in the existing Article 96 after the words “The ordinary remuneration of the Directors shall from time to time be determined by the Company in general meeting” the words “(or if the Company shall so resolve, by the Directors)”.
- (r) By deleting the existing Article 103 in its entirety and replacing therefor the following new Article 103:
- 103.(1) A Director shall not vote (nor be counted in the quorum) on any resolution of the Board approving any contract or arrangement or any other proposal in which he or any of his associates is materially interested, but this prohibition shall not apply to any of the following matters namely:
- (i) any contract, arrangement or proposal for the giving to such Director or his associate(s) any security or indemnity in respect of money lent by him or any of his associates or obligations incurred or undertaken by him or any of his associates at the request of or for the benefit of the Company or any of its subsidiaries;
 - (ii) any contract, arrangement or proposal for the giving of any security or indemnity 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 whether alone or jointly under a guarantee or indemnity or by the giving of security;
 - (iii) any contract, arrangement or 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;
 - (iv) any contract, arrangement or proposal 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 or any of its subsidiaries by virtue only of his/their interest in shares or debentures or other securities of the Company;
 - (v) any contract, arrangement or 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 a 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 five (5) per cent or more of the issued shares or of the voting rights of any class of shares of such company (or of any third company through which his interest or that of any of his associates is derived); or
 - (vi) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:
 - (a) the adoption, modification or operation of any employees’ share scheme or any share incentive or share option scheme under which any Director or his associate(s) may benefit; or
 - (b) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme or other arrangement which relates both to directors, his associates and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director, or his associate(s), as such any privilege or advantage not accorded generally to the class of persons to which such scheme or fund relates.
- (2) A company shall be deemed to be a company in which a Director and/or his associate(s) owns five (5) per cent. or more if and so long as (but only if and so long as) he and/or his associates, (either directly or indirectly) are the holders of or beneficially interested in five (5) per cent. or more of any class of the equity share capital of such company or of the voting rights available to members of such company (or of any third company through which his interest or that of any of his associates is derived). For the purpose of this paragraph there shall be disregarded any shares held by a Director or his associate(s) as bare or custodian trustee and in which he or any of them has no beneficial interest, any shares comprised in a trust in which the interest of the Director or his associate(s) is/are in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust scheme in which the Director or his associate(s) is/are interested only as a unit holder and any shares which carry no voting right at general meetings and very restrictive dividend and return of capital right.
- (3) Where a company in which a Director and/or his associate(s) holds five (5) per cent. or more is materially interested in a transaction, then that Director and/or his associate(s) shall also be deemed materially interested in such transaction.
- (4) If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the chairman of the meeting) or his associates or as to the entitlement of any Director (other than such chairman) to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director or his associates concerned as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the chairman of the meeting such question shall be decided by a resolution of the Board (for which purpose such chairman shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman as known to such chairman has not been fairly disclosed to the Board.
- (s) By replacing the letter “A” with the words “Subject to Article 152A,” at the start of the existing Article 152 and by inserting the following words “at the same time as the notice of annual general meeting and” after the words “before the date of the general meeting and” in the sixth line of the existing Article 152.
- (t) By inserting the following paragraphs as new Articles 152A and 152B:
- “152A. To the extent the Board shall so resolve and as permitted by and subject to due compliance with all applicable Statutes, rules and regulations, including, without limitation, the rules of the Designated Stock Exchange, and to obtaining all necessary consents, if any, required thereunder, the requirements of Article 152 shall be deemed satisfied in relation to any person by sending to the person in any manner not prohibited by the Statutes, a summary financial statement derived from the Company’s annual accounts and the directors’ report which shall be in the form and containing the information required by applicable laws and regulations, provided that any person who is otherwise entitled to the annual financial statements of the Company and the directors’ report thereon may, if he so requires by notice in writing served on the Company, demand that the Company sends to him, in addition to a summary financial statement, a complete printed copy of the Company’s annual financial statements and the directors’ report thereon.
- 152B. The requirement to send to a person referred to in Article 152 the documents referred to in that provision or, where the Board shall so resolve, a summary financial report in accordance with Article 152A shall be deemed satisfied where, in accordance with all applicable Statutes, rules and regulations, including, without limitation, the rules of the Designated Stock Exchange, the Company publishes copies of the documents referred to in Article 152 and, if applicable, a summary financial report complying with Article 152A, on the Company’s website or in any other permitted manner (including by sending any form of electronic communication), and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company’s obligation to send to him a copy of such documents.”
- (u) By deleting the words “as soon as practicable convene an extraordinary general meeting to” after the words “the Directors shall” in the third line of the existing Article 156 and by inserting the words “and fix the remuneration of the Auditors so appointed” at the end of the existing Article 156.

(v) By deleting the existing Article 159 in its entirety and replacing therewith the following new Article 159:

“Any Notice or document (including any “corporate communication” within the meaning ascribed thereto under the rules of the Designated Stock Exchange), whether or not, to be given or issued under these Articles from the Company to a Member shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or communication and any such Notice and document may be served or delivered by the Company on or to any Member either personally or by sending it through the post in a prepaid envelope addressed to such Member at his registered address as appearing in the Register or at any other address supplied by him to the Company for the purpose or, as the case may be, by transmitting it to any such address or transmitting it to any telex or facsimile transmission number or electronic number or address or website supplied by him to the Company for the giving of Notice to him or which the person transmitting the notice reasonably and bona fide believes at the relevant time will result in the Notice being duly received by the Member or may also be served by advertisement in appropriate newspapers in accordance with the requirements of the Designated Stock Exchange or, to the extent permitted by the applicable laws, rules and regulations, including, without limitation, the rules of the Designated Stock Exchange, by placing it on the Company’s website or the website of the Designated Stock Exchange, and giving to the member a notice stating that the notice or other document is available there (a “notice of availability”). The notice of availability may be given to the member by any of the means set out above. In the case of joint holders of a share, all notices shall be given to that one of the joint holders whose name stands first in the Register and notice so given shall be deemed sufficient service on or delivery to all the joint holders.”

(w) By deleting the existing Article 160 in its entirety and replacing therewith the following new Article 160:

“Any Notice or other document:

- (a) if served or delivered by post, shall where appropriate be sent by airmail and shall be deemed to have been served or delivered on the day following that on which the letter, envelope or wrapper containing the same, properly prepaid and addressed, is put into the post; in proving such service or delivery it shall be sufficient to prove that the letter, envelope or wrapper containing the notice or document was properly addressed and put into the post and a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board that the letter, envelope or wrapper containing the notice or other document was so addressed and put into the post shall be conclusive evidence thereof;
- (b) if sent by electronic communication, shall be deemed to be given on the day following that on which it is sent by or on behalf of the Company. A notice placed on the Company’s website or the website of the Designated Stock Exchange, is deemed given by the Company to a Member on the day following that on which a notice of availability is deemed served on the Member;
- (c) if served or delivered in any other manner contemplated by these articles, shall be deemed to have been served or delivered at the time of personal service or delivery or, as the case may be, at the time of the relevant despatch, transmission or publication; and in proving such service or delivery a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board as to the fact and time of such service, delivery, despatch, transmission or publication shall be conclusive evidence thereof; and
- (d) may be given to a Member either in the English language or the Chinese language, subject to due compliance with all applicable Statutes, rules and regulations.”

By Order of the Board
CHENG Chi Wai
Company Secretary

Hong Kong, 28th January 2005

Notes:

1. Any member of the Company entitled to attend and vote at the Meeting shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the Meeting. A proxy need not be a member of the Company. On a poll, votes may be given either personally or by proxy.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorized to sign the same.
3. The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered to the principal place of business of the Company at 18th Floor, World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof at which the person named in the instrument proposes to vote or, in the case of a poll taken subsequently to the date of the Meeting or any adjournment thereof, not less than 24 hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid.
4. No instrument appointing a proxy shall be valid after expiration of 12 months from the date named in it as the date of its execution, except at an adjourned meeting or on a poll demanded at the Meeting or any adjournment thereof in cases where the Meeting was originally held within 12 months from such date.
5. Where there are joint holders of any shares, any one of such joint holder may vote at the Meeting, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders be present at the 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, and 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.
6. Completion and delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the Meeting if the member so wish and in such event, the instrument appointing a proxy should be deemed to be revoked.
7. An explanatory statement containing the information necessary to enable the members to make an informed decision as to whether to vote for or against Ordinary Resolutions 8 to 10 as set out in this notice will be sent to members of the Company together with the Company’s 2004 Annual Report.
8. The transfer books and Register of Members of the Company will be closed from 7th March 2005 to 10th March 2005, both days inclusive. During such period, no share transfers will be effected. In order to qualify for the proposed final dividend and attending the annual general meeting, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company’s branch share registrars in Hong Kong, Standard Registrars Limited at G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong for registration no later than 4:00 p.m. on 4th March 2005.
9. A form of proxy for use at the Meeting of the Company is enclosed with the Circular to the members of the Company dated 28th January 2005.

As at the date of this notice, the executive directors of the Company are Yu Lai Si, Tam Chie Sang, Yu Lai Chu, Eileen, Yu Kam Shui, Erastus and Lai Yin Ping. The independent non-executive directors of the Company are Wong Lung Tak, Patrick JP, Wong Chun Nam and Wong Chi Keung.

Please also refer to the published version of this announcement in South China Morning Post-Classified.