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

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

**If you have sold or transferred** all your shares in Wealthmark International (Holdings) Limited, you should at once pass this circular to the purchaser or the transferee or to the bank, your licensed securities dealer through whom the sale 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.

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**WEALTHMARK INTERNATIONAL (HOLDINGS) LIMITED**

**和寶國際控股有限公司**

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

**(Stock Code: 039)**

**PROPOSALS FOR RE-ELECTION OF DIRECTORS  
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES  
AMENDMENT TO ARTICLES OF ASSOCIATION  
ADOPTION OF NEW SHARE OPTION SCHEME  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the AGM (as defined in this circular) to be held at 2116 Hutchison House, 10 Harcourt Road, Hong Kong on 23 May 2007 at 10:00 a.m. is set out at the end of this circular. Whether or not you intend to attend such meeting in person, please complete and return the enclosed form of proxy to Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM. Completion and return of the form of proxy will not preclude Shareholders from attending and voting at the meeting or any adjourned meeting if they so wish.

30 April 2007

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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 on Wednesday, 23 May 2007 at 10:00 a.m. at 2116 Hutchison House, 10 Harcourt Road, Hong Kong, or any adjournment thereof
“Articles of Association”	the articles of association of the Company
“Companies Laws”	the Company Law Cap. 22 (Law 3 of 1961 as consolidated and revised) of the Cayman Islands
“Board”	The board of Directors
“Company”	Wealthmark International (Holdings) Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“Directors”	The directors of the Company
“Eligible Person”	any director or employee of the Group and any other person (including a consultant or adviser) who in the sole discretion of the Board has contributed or will contribute to the Group
“Existing Share Option Scheme”	the share option scheme of the Company adopted by shareholders of the Company by way of written resolution on 29 December 2000
“Grantee”	any Eligible Person who accepts an Offer in accordance with the terms of the New Share Option Scheme or (where the context so permits) any person entitled to exercise any Option in consequence of the death of the original Grantee
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	23 April 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange

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## DEFINITIONS

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“New Share Option Scheme”	the share option scheme in its present or any amended form proposed to be adopted by the Company at the AGM, a summary of the principal terms of the rules of which is set out in Appendix III of this circular
“Offer Date”	the date on which an offer of the grant of an Option is made to an Eligible Person pursuant to the New Share Option Scheme, which must be a business day
“Option(s)”	a right to subscribe for Shares pursuant to the New Share Option Scheme
“SFO”	the Securities and Futures Ordinance (CAP 571 of the laws of Hong Kong)
“Share(s)”	share(s) of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholder”	has the meaning ascribed thereto under the Listing Rules
“Takeover Code”	the Hong Kong Codes on Takeovers and Mergers and Share Repurchases

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**LETTER FROM THE BOARD**

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**WEALTHMARK INTERNATIONAL (HOLDINGS) LIMITED**

**和寶國際控股有限公司**

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

**(Stock Code: 039)**

*Executive Directors:*

Mr. Lo Peter

Mr. Sun David Lee

Mr. Li Wentao

Mr. Fu Hui

*Non-executive Director:*

Mr. Yeung Ting-Lap Derek Emory

*Independent Non-executive Directors:*

Dr. Loke Yu

Dr. Leung Kwan-Kwok

Mr. Zuchowski Sam

*Registered office:*

PO Box 309GT

Ugland House

South Church Street

George Town

Grand Cayman

Cayman Islands

*Head office and principal*

*place of business:*

2116 Hutchison House

10 Harcourt Road

Hong Kong

30 April 2007

*To the Shareholders*

Dear Sir or Madam,

**PROPOSALS FOR RE-ELECTION OF DIRECTORS  
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES  
AMENDMENT TO ARTICLES OF ASSOCIATION  
ADOPTION OF NEW SHARE OPTION SCHEME  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide you with information on the following matters to be dealt with at the AGM: (i) re-election of Directors; (ii) grant of general mandate to issue Shares; (iii) grant of general mandate to repurchase Shares; (iv) amendment to Articles of Association and (v) adoption of the New Share Option Scheme and termination of the Existing Share Option Scheme.

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## **LETTER FROM THE BOARD**

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### **RE-ELECTION OF DIRECTORS**

In accordance with Article 116 of the Company's Articles of Association, Mr. Lo Peter and Mr. Zuchowski Sam will retire by rotation. Pursuant to Article 99 of the Company's Articles of Association, Mr. Fu Hui will retire as Director. Being eligible, all of the above Directors will offer themselves for re-election at the AGM. Their requisite details are set out in Appendix I to this circular.

### **GENERAL MANDATE TO ISSUE SHARES**

On 26 May 2006, general mandates were granted to the Directors to exercise the powers of the Company to issue Shares and to repurchase Shares respectively. Such mandates will lapse at the conclusion of the AGM.

At the AGM, an ordinary resolution as set out in Resolution 4 of the notice of the AGM will be proposed, inter alia, to grant to the Directors a general mandate to issue, allot and deal with other than by way of rights issues, shares or options, or similar rights to subscribe for shares, and to make or grant offers, agreements and options which might require securities to be issued, with an aggregate nominal value of not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the resolution. Such mandate will give the Directors greater flexibility to issue securities when it is in the interests of the Company.

### **GENERAL MANDATE TO REPURCHASE SHARES**

Under the Companies Laws and the Listing Rules, listed companies are allowed to repurchase their own issued Shares. The Articles of Association also permit such Shares repurchases. The Directors consider that these provisions increase the flexibility in the conduct of the Company's affairs in the interests of the Shareholders, and that the appropriate arrangements shall continue to be adopted by the Company.

At the AGM, an ordinary resolution will also be proposed that the Directors be given a general mandate to exercise all powers of the Company to repurchase Shares subject to the criteria set out in this circular. Shareholders should note that the maximum number of Shares that may be repurchased pursuant to the mandate as set out in Resolution 5 of the notice of the AGM will be such number of Shares representing up to 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of the resolution. A resolution authorising the extension of the general mandate to the Directors to issue Shares to include the aggregate nominal amount of such Shares (if any) repurchased under the mandate is to be proposed as Resolution 6 at the AGM.

An explanatory statement, required by the Listing Rules to be sent to Shareholders in relation to the Shares repurchase mandate which will be proposed for the consideration and approval of the Shareholders in the AGM, is set out in Appendix II to this circular.

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## LETTER FROM THE BOARD

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### AMENDMENT TO ARTICLES OF ASSOCIATION

The Directors note that there are certain inconsistencies between the Articles of Association and the Code on Corporate Governance Practices in Appendix 14 of the Listing Rules in relation to the requirement for directors to retire by rotation, in particular the requirements under Articles 99 and 116 of the Articles of Association and paragraph A.4.2 of the Code on Corporate Governance Practices. The Directors therefore proposed to amend the Articles of Association so as to bring them in line with the requirements of the Code on Corporate Governance Practices concerning rotation of directors. A summary of the proposed amendment is set out below:

- (a) to amend Article 99 of the Articles of Association by replacing the words “next following annual general meeting” in the second sentence with “next following general meeting”;
- (b) to amend Article 116 of the Articles of Association by deleting the words “(other than the Managing Director or Joint Managing Director)”; and
- (c) to further amend Article 116 of the Articles of Association by replacing the words “then the number nearest to, but not exceeding, one-third” with “then the nearest whole number rounded up from one-third thereof”.

The full text of the proposed amendment to the Articles of Association is set out in the notice of AGM.

### ADOPTION OF NEW SHARE OPTION SCHEME AND TERMINATION OF EXISTING SHARE OPTION SCHEME

The Board recognizes the importance of developing the interest of the officers and employees (including Directors) of the Group in the growth and performance of the Group by providing such persons with the opportunity to acquire proprietary interests in the Company. The Company adopted the Existing Share Option Scheme on 29 December 2000 and as at the Latest Practicable Date, no share options had been issued pursuant to the Existing Share Option Scheme. The Company had undertaken a review of the Existing Share Option Scheme and note that certain provisions could be clarified and improved in light of the provisions of Chapter 17 of the Listing Rules. Accordingly, the Board proposes that the Company adopt the New Share Option Scheme for the granting of Options to the directors, officers and employees of the Company and its subsidiaries, and other persons selected by the Board who have contributed or will contribute to the Group, and for the Existing Share Option Scheme to be terminated.

Pursuant to the Listing Rules, the New Share Option Scheme is required to be approved by the Shareholders in general meeting before it may be implemented. Accordingly, the Board proposes to seek Shareholders’ approval at the AGM for the adoption of the New Share Option Scheme and termination of the Existing Share Option Scheme. A summary of the principal terms of the New Share Option Scheme is set out in Appendix III of this circular. A copy of the rules of the New Share Option Scheme will be

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## LETTER FROM THE BOARD

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available for inspection during normal business hours at the Company's principal place of business in Hong Kong at 2116 Hutchison House, 10 Harcourt Road, Hong Kong, from the date of this circular up to and including 14 May 2007.

Subject to the Shareholders approving and adopting the New Share Option Scheme and termination of the Existing Share Option Scheme, and the Stock Exchange granting approval to the listing of and permission to deal in any of the Shares which fall to be issued upon the exercise of the Options under the New Share Option Scheme, the Board will have the authority to grant to the directors, officers and employees of the Company and its subsidiaries, and any other persons who in the sole discretion of the Board have contributed or will contribute to the Group, Options to subscribe for Shares provided that the number of Shares in respect of Options granted under the New Share Option Scheme will not, when aggregated with any Shares subject to any other share option scheme, exceed 10% of the issued capital of the Company at the date of adoption of the New Share Option Scheme (as at the Latest Practicable Date such 10% representing approximately 33,200,000 Shares). The Company may renew this 10% limit with shareholders' approval provided that each such renewal may not exceed 10% of the Shares in issue as at the date of the shareholders' approval. However, the total number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme or any other share option schemes adopted by the Company must not, in aggregate, exceed 30% (or such other percentage as may be allowed under the Listing Rules) of the total number of Shares in issue from time to time (as at the Latest Practicable Date such 30% being approximately 99,600,000 Shares).

On each grant of Options, the Board will specify the subscription price (being not less than the minimum price specified in the Listing Rules), the vesting schedule and any minimum holding period or performance targets which apply to the Options.

The Directors consider that it is not appropriate to state the value of all Options that can be granted pursuant to the New Share Option Scheme as if they had been granted on the Latest Practicable Date as a number of variables which are crucial for the calculation of the value of the Options have not been determined. Such variables include the exercise price, exercise period, any lock up period, any performance targets set and other relevant variables. 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 and would be misleading to Shareholders.

Application has been made to the Listing Committee for the approval of the New Share Option Scheme and the subsequent granting of options under the New Share Option Scheme, and for the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of the options granted under the New Share Option Scheme.

### **RESPONSIBILITY STATEMENT**

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this



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## LETTER FROM THE BOARD

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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.

### AGM

A notice convening the AGM to be held at 2116 Hutchison House, 10 Harcourt Road, Hong Kong on Wednesday, 23 May 2007 at 10:00 a.m. is set out at the end of this circular. Resolutions in respect of the general mandates, the amendment to the Articles of Association and adoption of the New Share Option Scheme as referred to above will be proposed at the AGM.

You will find enclosed a proxy form for use at the AGM. Whether or not you intend to attend such meeting in person, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon to Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM. Completion and return of the form of proxy will not preclude Shareholders from attending and voting at the meeting or any adjourned meeting if they so wish.

Pursuant to Article 80 of the Company's Articles of Association, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (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 duly demanded. A poll may be demanded by:

- (a) the Chairman of the meeting; or
- (b) at least five members present in person or by proxy and entitled to vote; or
- (c) any member or members present in person (or in the case of a corporation, by its duly authorised representative) or by proxy and representing in the aggregate not less than one-tenth of the total voting rights of all members having the right to attend and vote at the meeting; or
- (d) any member or members present in person (or in the case of a corporation, by its duly authorised representative) or by proxy and holding shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

Unless a poll is so demanded and 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 lost, and an entry to that effect in the Company's book containing the minutes of proceedings of meetings of the Company shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

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## LETTER FROM THE BOARD

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### RECOMMENDATION

The Directors consider that the re-election of Directors, the granting of general mandates to issue and repurchase Shares, and to add the aggregate nominal amount of Shares that may be repurchased to the aggregate nominal amount of the securities that may be allotted pursuant to the general mandate to issue securities, the amendment to Articles of Association, and the adoption of the New Share Option Scheme and termination of the Existing Share Option Scheme are each in the best interests of the Company and the Shareholders as whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolutions to be proposed at the AGM.

Yours faithfully  
For and on behalf of the Board  
**Wealthmark International (Holdings) Limited**  
**Peter Lo**  
*Chairman*

*The following are the particulars of the Directors proposed to be re-elected at the AGM:*

**Mr. Lo Peter**, aged 51, was appointed a director and the chairman of the Company in May 2005. He is responsible for the overall strategic development of the Group. Mr. Lo is currently a director of China Enterprise Capital Limited, an independent non-executive director of China Infrastructure Machinery Holdings Limited and Ajisen (China) Holdings Limited, companies currently listed on the Main Board of the Stock Exchange. He was the chief executive officer and executive director of Harbin Brewery Group Limited, a company formerly listed on the Main Board of the Stock Exchange. He held senior management positions in the Hong Kong offices of several international companies and has more than 15 years' experience in doing business in the PRC. Mr. Lo received a Bachelor of Science (Economics) Degree in Mathematical Economics and Econometrics from the London School of Economics and Political Science in 1982. He received the "Directors of the Year 2004" award from the Hong Kong Institute of Directors. Mr. Lo is a member of the People's Consultative Conference of Harbin City. Mr. Lo does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company for the purpose of the Listing Rules. He has no interests in Shares of the Company within the meaning of Part XV of the SFO.

There is no service contract between the Company and Mr. Lo. He is entitled to an annual emolument of HK\$150,000 as Executive Director of the Company which is determined by the Board by reference to his duties and responsibilities with the Company and the Company's remuneration policy. Mr. Lo is subject to retirement by rotation and re-election pursuant to the Articles of Association of the Company.

There is no information to be disclosed pursuant to the requirements as set out in Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters that need to be brought to the attention of the shareholders of the Company in respect of Mr. Lo's re-election.

**Mr. Zuchowski Sam**, aged 59, was appointed an independent non-executive director of the Company in May 2005. He has considerable experience in investment banking and other direct investments where he has held positions with Merrill Lynch International, Inc., First Pacific U.S. Securities (Aust.) Ltd and Capitalcorp Ltd. He has also been a director of a number of companies listed on the Main Board of the Stock Exchange, namely, G-Prop (Holdings) Limited, SMI Corporation Limited (formerly known as Star East Holdings Limited) and Freeman Corporation Limited (formerly known as Inner Mongolia Development (Holdings) Limited and Hansom Eastern (Holdings) Limited). Mr. Zuchowski obtained a Bachelor Degree in Law from the University of Melbourne, Australia. Mr. Zuchowski does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company for the purpose of the Listing Rules. He has no interests in Shares of the Company within the meaning of Part XV of the SFO.

There is no service contract between the Company and Mr. Zuchowski. He is entitled to an annual emolument of HK\$150,000 as Independent Non-executive Director of the Company which is determined by the Board by reference to his duties and responsibilities

with the Company and the Company's remuneration policy. Mr. Zuchowski is subject to retirement by rotation and re-election pursuant to the Articles of Association of the Company.

There is no information to be disclosed pursuant to the requirements as set out in Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters that need to be brought to the attention of the shareholders of the Company in respect of Mr. Zuchowski's re-election.

**Mr. Fu Hui**, aged 44, was appointed a director of the Company in July 2006. He was a director and the chief operation officer of Harbin Brewery Group Limited ("HB Group"). Mr. Fu joined Harbin Brewery Factory ("HBF") in 1983. He graduated from the Light Industrial Institute of Dalian in 1983 majoring in industrial fermentation and holds a Master Degree in Management Science and Engineering from the Polytechnic University of Harbin in 1983. He was appointed as the manager of the brewing technology, research and development department of HBF in 1993. Mr. Fu was a brewing engineer of the HB Group and a senior fermentation engineer with more than 20 years' experience in the brewery industry gained from working for HBF and HB Group. Mr. Fu does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company for the purpose of the Listing Rules. He has no interests in Shares of the Company within the meaning of Part XV of the SFO.

There is no service contract between the Company and Mr. Fu. He is entitled to an annual emolument of HK\$150,000 as Executive Director of the Company which is determined by the Board by reference to his duties and responsibilities with the Company and the Company's remuneration policy. Mr. Fu is subject to retirement by rotation and re-election pursuant to the Articles of Association of the Company.

There is no information to be disclosed pursuant to the requirements as set out in Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters that need to be brought to the attention of the shareholders of the Company in respect of Mr. Fu's re-election.

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## **APPENDIX II      EXPLANATORY STATEMENT ON REPURCHASE MANDATE**

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*This Appendix contains the particulars that are required by the Listing Rules to be included in an explanatory statement to enable the Shareholders to make an informed view on whether to vote for or against the resolution to be proposed at the AGM in relation to the proposed repurchase mandate.*

### **(a) SHARE CAPITAL**

As at 23 April 2007 (being the Latest Practicable Date), the issued share capital of the Company was 332,000,000 Shares. Subject to the passing of the relevant resolution at the AGM, the Company will be allowed under the general mandate to repurchase a maximum of 33,200,000 Shares, assuming that no further Shares are issued or repurchased prior to the date of the AGM.

Shareholders should note that the repurchase mandate only covers purchases made during the period ending on the earliest of the date of the next annual general meeting, the date by which the next annual general meeting is required to be held under the Company's Articles of Association or any applicable laws to be held and the date upon which such authority is revoked or varied by Shareholders in general meeting.

### **(b) REASONS FOR REPURCHASES**

Although the Directors have no present intention of repurchasing Shares, they believe that the repurchase mandate is in the best interests of the Company and its Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per Share of the Company and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

### **(c) FUNDING OF REPURCHASES**

Repurchases must be financed out of funds legally available for the purpose in accordance with the Memorandum and Articles of Association of the Company and the Companies Laws. Such funds include but are not limited to profits available for distribution.

There might be material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the annual report of the Company in respect of the year ended 31 December 2006) in the event that the repurchase mandate 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.

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**APPENDIX II EXPLANATORY STATEMENT ON REPURCHASE MANDATE**

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**(d) SHARE PRICES**

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

	<b>Highest</b>	<b>Lowest</b>
	<i>HK\$</i>	<i>HK\$</i>
April 2006	0.60	0.43
May 2006	0.60	0.45
June 2006	0.58	0.53
July 2006	0.60	0.46
August 2006	0.59	0.46
September 2006	0.59	0.56
October 2006	0.56	0.46
November 2006	0.54	0.35
December 2006	0.40	0.30
January 2007	0.40	0.32
February 2007	0.38	0.30
March 2007	0.40	0.30
April 2007 (up to the Latest Practicable Date)	1.93	0.36

**(e) GENERAL**

The Directors have undertaken to the Stock Exchange that they will exercise the power of the Company to make repurchases in accordance with the Listing Rules and the Companies Laws.

None of the Directors, nor to the best of their knowledge having made all reasonable enquiries, any of their associates (as defined in the Listing Rules), have any present intention to sell any Shares to the Company or its subsidiaries if the repurchase mandate is approved by the Shareholders.

No connected persons (as defined in the Listing Rules) of the Company have notified the Company that they have a present intention to sell any Shares held by them to the Company or have undertaken not to sell any of the Shares held by them to the Company in the event that the Company is authorised to make repurchase of Shares.

**(f) TAKEOVER CODE**

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 the Takeover Code. As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and, depending on the level of increase of the Shareholder's interest, may become obliged to make a mandatory offer in accordance with Rule 26 of the Takeover Code.

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**APPENDIX II      EXPLANATORY STATEMENT ON REPURCHASE MANDATE**

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As at 23 April 2007 (being the Latest Practicable Date), Orientelite Investments Limited (“Orientelite”), the substantial shareholder of the Company, held 195,000,000 Shares, representing 58.7% of the issued share capital of the Company. In the event that the Directors exercise in full the power to repurchase Shares under the repurchase mandate, the shareholding of Orientelite would be increased to approximately 65.3% of the issued share capital of the Company. Such increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeover Code and at least 25% of the issued share capital of the Company would still remain in the public hands.

**(g) SHARE REPURCHASE MADE BY THE COMPANY**

No purchases of Shares had been made by the Company during the six months preceding the Latest Practicable Date (whether on the Stock Exchange or otherwise).

*The following is a summary of the terms required to be included in the New Share Option Scheme as required by the Listing Rules:*

### **1. PURPOSE OF THE NEW SHARE OPTION SCHEME**

The purpose of the New Share Option Scheme is to provide incentive and/or reward to Grantees for their contribution to, and continuing efforts to promote the interests of, the Group.

### **2. ELIGIBLE GRANTEES**

All directors and employees of the Group and any other persons who, in the sole discretion of the Board, have contributed or will contribute to the Group, are eligible to participate in the New Share Option Scheme.

### **3. MAXIMUM NUMBER OF SHARES**

The total number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme or any other share option schemes adopted by the Company must not, in aggregate, exceed 30% (or such other percentage as may be allowed under the Listing Rules) of the total number of Shares in issue from time to time (as at the Latest Practicable Date such 30% being approximately 99,600,000 Shares). As at the date of adoption of the New Share Option Scheme, the maximum number of Shares which may be issued upon exercise of all options granted under existing share option schemes of the Company, and to be granted under the New Share Option Scheme or any other share option scheme adopted by the Company must not in aggregate exceed 10% of the Shares in issue on the date of adoption (as at the Latest Practicable Date, such 10% limit represents 33,200,000 Shares). Options which have lapsed shall not be counted in calculating the 10% limit. However, the Company may renew this 10% limit with shareholders' approval provided that each such renewal may not exceed 10% of the Shares in issue as at the date of the shareholders' approval. The Company may seek separate approval by Shareholders in general meeting for granting options beyond the 10% limit provided the options in excess of the limit are granted only to Grantees specifically identified by the Company before such approval is sought.

The Directors consider that it is not appropriate to state the value of all Options that can be granted pursuant to the New Share Option Scheme as if they had been granted on the Latest Practicable Date as a number of variables which are crucial for the calculation of the value of the Options have not been determined. Such variables include the exercise price, exercise period, any lock up period, any performance targets set and other relevant variables. 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 and would be misleading to Shareholders.



**4. MAXIMUM NUMBER OF SHARES PER GRANTEE**

Unless approved by Shareholders in the manner set out in the Listing Rules, the total number of Shares issued and to be issued upon exercise of the Options granted to each Grantee (including both exercised and unexercised Options) under the New Share Option Scheme or any other share option scheme adopted by the Company, in any 12 months period, must not exceed 1% of the Shares in issue.

**5. GRANT OF OPTIONS TO CONNECTED PERSONS**

- (a) Where an Option is to be granted to any director, the chief executive or any Substantial Shareholder of the Company, or any of their respective associates (as defined in the Listing Rules), the grant shall not be valid unless it has been approved by the Independent Non-executive Directors of the Company, excluding any Independent Non-executive Director who is a prospective Grantee of the Option.
- (b) Where an Option is to be granted to a Substantial Shareholder or an Independent Non-executive Director of the Company (or any of their respective associates (as defined in the Listing Rules)), and the grant will result in the number and value of the Shares issued and to be issued upon exercise of all Options granted and to be granted (including exercised, cancelled and outstanding Options) to the relevant grantee in the 12-month period up to and including the Offer Date of the relevant Option exceeding:
  - (i) 0.1% of the total number of Shares in issue at the relevant time of grant; and
  - (ii) an aggregate value (based on the closing price of the Shares on the Stock Exchange on the date of each grant) of HK\$5 million,

such grant shall not be valid unless:

- (i) a circular containing the details of the grant has been despatched to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules (including, in particular, a recommendation from the Independent Non-executive Directors of the Company (excluding the Independent Non-executive Director who is the prospective Grantee of the Option) to the independent Shareholders as to voting); and
- (ii) the grant has been approved by the Shareholders in general meeting (taken on a poll), at which all connected persons of the Company must abstain from voting in favour of the relevant resolution granting the approval.

**6. EXERCISE OF OPTIONS**

- (a) The period within which the Options must be exercised will be specified by the Company at the time of grant. This period must expire no later than 10 years from the Offer Date, subject to the provisions of the New Share Option Scheme relating to early termination as summarized below.
- (b) Subject to paragraphs 5(c) and 12(e) below, where the holder of an outstanding Option ceases to be an eligible person under the New Share Option Scheme for any reason, the Option may be exercised within three months of the date of cessation. The date of such cessation shall be (i) if he is an employee of the Group, his last actual working day at his work place with the Group whether salary is paid in lieu of notice or not; or (ii) if he is not an employee of the Group, the date on which the relationship constituting him an Eligible Person ceases.
- (c) Where the Grantee of an outstanding Option dies before exercising the Option in full or at all, the Option may be exercised up to the entitlement of such Grantee or, if appropriate, an election made pursuant to paragraphs 5(d), (e) or (f) below by his or her personal representatives within 12 months of the date of death.
- (d) If a general offer by way of a take-over 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) and such offer becomes or is declared unconditional, the Company shall give notice thereof to the Grantee and the Grantee (or his personal representatives) may by notice in writing to the Company within 30 days after such offer becoming or being declared unconditional exercise the Option to its full extent or to the extent specified in such notice.
- (e) If a general offer by way of a scheme of arrangement is made to all the Shareholders and the scheme has been approved by the necessary number of Shareholders at the requisite meetings, the Company shall give notice thereof to the Grantee and the Grantee (or his personal representatives) may thereafter (but before such time as shall be notified by the Company) by notice in writing to the Company exercise the Option to its full extent or to the extent specified in such notice.
- (f) In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Grantees (together with a notice of the existence of the provisions of this paragraph) and thereupon, each Grantee (or his or her personal representatives) shall be entitled to exercise all or any of his Options at any time not later than five business days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate subscription price for the Shares

in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than three business days immediately prior to the date of the proposed general meeting referred to above, issue and allot the relevant Shares to the Grantee credited as fully paid.

#### **7. MINIMUM HOLDING PERIOD**

At the time of grant of the Options, the Company may specify a minimum period for which an Option must be held before it can be exercised. The Board may specify the vesting schedule and other terms when an offer of the grant of an Option is made.

#### **8. PERFORMANCE TARGETS**

At the time of the grant of the Options, the Company may specify performance targets which must be achieved before the Options can be exercised.

#### **9. OPTION PRICE**

The amount payable on acceptance of an Option is HK\$1.

#### **10. SUBSCRIPTION PRICE**

The subscription price for the Shares the subject of the Options shall be no less than the higher of (i) the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the Offer Date; (ii) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the Offer Date; and (iii) the nominal value of a Share on the Offer Date. The subscription price will be established by the Board at the time the Option is offered to the Grantee.

#### **11. RANKING OF SHARES**

The Shares to be allotted and issued upon the exercise of an Option will be subject to the Company's constitutional documents for the time being in force and will rank *pari passu* in all respects with the fully-paid Shares in issue as at the date of issue and allotment and will entitle the holders to participate in all dividends or other distribution declared or recommended or resolved to be paid or made in respect of a record date falling on or after the date of issue and allotment.

#### **12. RIGHTS ON A LIQUIDATION**

Prior to the Grantee being registered on the register of members of the Company the Grantee shall not have any voting rights, or rights to participate in any dividends or distributions of any rights arising on a liquidation of the Company, in respect of the Shares to be issued upon the exercise of the Option.

**13. PERIOD OF SCHEME**

No Options may be granted under the New Share Option Scheme after the date of the 10th anniversary of the adoption of the New Share Option Scheme.

**14. LAPSE OF OPTIONS**

An Option shall lapse automatically and not be exercisable, to the extent not already exercised, on the earliest of:

- (a) the expiry of the Option period;
- (b) the expiry of any of the periods referred to in paragraphs 5(b), (c) or (d) above;
- (c) subject to the scheme of arrangement becoming effective, the expiry of the period referred to in paragraph 5(e) above;
- (d) subject to paragraph 5(f) above, the date of the commencement of the winding-up of the Company;
- (e) the date on which the Grantee ceases to be an Eligible Person by reason of summary dismissal for misconduct or other breach of the terms of his employment or other contract constituting him an Eligible Person, or the date on which he begins to appear to be unable to pay or have no reasonable prospect of being able to pay his debts or has become insolvent or has made any arrangements or composition with his or her creditors generally or on which he has been convicted of any criminal offence involving his or her integrity or honesty. A resolution of the Board to the effect that the employment or other relevant contract or arrangement of a Grantee has or has not been terminated on one or more of the grounds specified in this paragraph shall be conclusive; or
- (f) the date on which the Grantee transfers or encumbrances any interest in his Option.

**15. ALTERATION OF SHARE CAPITAL**

In the event of any alteration in the capital structure of the Company whilst any Option has been granted and remains exercisable (whether such alteration arises by way of capitalisation of profits or reserves, rights issue, open offer, bonus issue, consolidation, subdivision or reduction of the share capital of the Company, or any other corporation action involving a price-dilutive element), the number of Shares to be issued on exercise of the Options and/or the subscription price shall be adjusted accordingly; provided that no such alteration shall be made in respect of an issue of securities by the Company as consideration in a transaction, any such alterations must be made so that each Grantee is given the same proportion of the equity capital of the Company as that to which he was previously entitled and no such alterations shall be made which would result in the subscription price for a Share being less than its nominal value (provided that in such circumstances the subscription price shall be reduced to the nominal value).

**16. CANCELLATION OF OPTIONS GRANTED**

Any Options granted but not exercised may be cancelled if the Grantee so agrees and new Options may be granted to the Grantee provided such Options fall within the limits specified in paragraph 3 above and are otherwise granted in accordance with the terms of the New Share Option Scheme or any other share option scheme adopted by the Company.

**17. RANKING OF SHARES**

The Shares issued on exercise of the Options will on issue be identical to the then existing issued ordinary shares of the Company.

**18. TERMINATION OF SCHEME**

The Company by ordinary resolution of shareholders, or the Board, may at any time terminate the operation of the New Share Option Scheme and in such event no further Options will be offered or granted. Any unexercised Options shall continue to be exercisable in accordance with their terms of issue after the termination of the New Share Option Scheme.

**19. TRANSFERS OF OPTIONS**

The Option may not be transferred or assigned and is personal to the Grantee.

**20. ALTERATIONS TO THE NEW SHARE OPTION SCHEME**

Those specific provisions of the New Share Option Scheme which relate to the matters set out in Rule 17.03 of the Listing Rules, or any change to the authority of the Board or administrator of the New Share Option Scheme in relation to any alteration of the terms, cannot be altered to the advantage of Grantees without the prior approval of Shareholders in general meeting. Any alterations to the terms and conditions of the New Share Option 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 provisions of the New Share Option Scheme.

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## NOTICE OF ANNUAL GENERAL MEETING

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### WEALTHMARK INTERNATIONAL (HOLDINGS) LIMITED

### 和寶國際控股有限公司

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

**(Stock Code: 039)**

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of Wealthmark International (Holdings) Limited (the “Company”) will be held at 2116 Hutchison House, 10 Harcourt Road, Hong Kong, on Wednesday, 23 May 2007 at 10:00 a.m. for the following purposes:

1. To receive and adopt the Audited Consolidated Financial Statements and the Reports of the Directors and the Auditors for the year ended 31 December 2006;
2. (A) To re-elect Directors;  
  
(B) To authorise the Board of Directors to fix Directors’ remuneration;
3. To re-appoint Auditors and to authorise the Board of Directors to fix Auditors’ remuneration;
4. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

**“THAT**

- (a) subject to paragraph (c) of this resolution, the exercise by the Directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional shares of the Company and to make or grant offers, agreements and options which would or might require shares to be allotted, issued or dealt with be generally and unconditionally approved;
- (b) the Directors of the Company be authorised to make offers or agreements or grant options during the Relevant Period (as defined below) which would or might require shares to be allotted and issued either during or after the end of the Relevant Period pursuant to paragraph (a) above;
- (c) the aggregate nominal value of the shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approvals in paragraphs (a) and (b) above, otherwise than pursuant to (i) a rights issue (as defined in paragraph (d) below) or (ii) any option scheme or similar arrangement for

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## NOTICE OF ANNUAL GENERAL MEETING

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the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries and/or any eligible grantee pursuant to the scheme of shares or rights to acquire shares of the Company, or (iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company, shall not in total exceed 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of passing of this resolution and the said approval shall be limited accordingly; and

(d) for the purpose 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 revocation or variation of the authority given under this resolution by ordinary resolution passed by the Company’s shareholders in general meeting; and
- (iii) 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 any applicable laws to be held; and

“rights issue” means an offer of shares open for a period fixed by the Directors of the Company to 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 exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or of the requirements of any recognised regulatory body or any stock exchange in, or in any territory outside Hong Kong).”;

5. To consider and if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

**“THAT**

- (a) the exercise by the Directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to purchase its own shares, subject to and in accordance with the applicable laws, rules and regulations of The Securities and Futures Commission of Hong Kong and The Stock Exchange of Hong Kong Limited and paragraph (b) of this resolution, be and is hereby generally and unconditionally approved;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) the aggregate nominal amount of shares of the Company which may be repurchased by the Company pursuant to the approval in paragraph (a) above shall not exceed 10% of the total nominal amount of the share capital of the Company in issue on the date of passing of this resolution and the said approval shall be limited accordingly; and
  - (c) for the purpose 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 revocation or variation of the authority given under this resolution by ordinary resolution passed by the Company’s shareholders in general meeting; and
    - (iii) 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 any applicable laws to be held.”;
6. To consider and if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** conditional upon the passing of the ordinary resolutions nos. 4 and 5 as set out in the notice convening this meeting, the general mandate granted to the Directors of the Company pursuant to the ordinary resolution no. 4 as set out in the notice convening this meeting to exercise the powers of the Company to allot, issue and deal with the shares of the Company be and is hereby extended by the addition thereto of an amount represented by the aggregate nominal amount of shares of the Company repurchased by the Company under the authority granted pursuant to ordinary resolution no. 5 as set out in the notice convening this meeting, provided that such amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of passing of this resolution.”;

7. To consider and if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** the existing share option scheme of the Company adopted on 29 December 2000 be and is hereby terminated, and the rules of the new share option scheme of the Company (a copy of which has been initialled by the Chairman of the meeting and for the purpose of identification marked “A”) be and are hereby approved and adopted as the new share option scheme of the Company subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting listing of and permission to deal in the shares of the Company, representing 10% of the issued share capital of the Company as at the date of passing this resolution, to be issued pursuant to the exercise of any options granted under the new share option scheme and that the directors of the



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## NOTICE OF ANNUAL GENERAL MEETING

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Company be and are hereby authorised, at their absolute discretion, to grant options thereunder and to allot and issue shares of the Company pursuant to the exercise of such option.”

8. To consider and if thought fit, pass with or without amendments, the following resolution as a special resolution:

“**THAT** the articles of association of the Company be and are hereby amended by substituting the existing Article 99 with the following new Article 99:

99. The Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at that meeting, provided that any Director who so retires shall not be taken into account in determining the number of Directors who are to retire at such meeting by rotation pursuant to Article 116.”

9. To consider and if thought fit, pass with or without amendments, the following resolution as a special resolution:

“**THAT** the articles of association of the Company be and are hereby amended by substituting the existing Article 116 with the following new Article 116:

116. At each annual general meeting, one-third of the Directors for the time being, or if their number is not three or a multiple of three, then the nearest whole number rounded up from one-third thereof, shall retire from office by rotation. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree between themselves) be determined by lot. A retiring Director shall retain office until the close of the meeting at which he retires, and shall be eligible for re-election thereat.”

By order of the Board  
**CHAN So Fong**  
*Company Secretary*

Hong Kong, 30 April 2007

*Notes:*

- (a) A member of the Company entitled to attend and vote at the meeting is entitled to appoint another person as his proxy to attend and vote on his/her behalf. A member who is the holder of two or more shares of the Company may appoint more than one proxy to represent him and vote on his behalf. A proxy need not be a member of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.

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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a certified copy of such power of authority, must be lodged with the Company's Branch Share Registrar and Transfer Office in Hong Kong, Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the meeting or any adjournment thereof.
- (c) Delivery of an instrument appointing a proxy should not preclude a member from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (d) The Register of Members of the Company will be closed from Monday, 21 May 2007 to Wednesday, 23 May 2007 (both days inclusive) during which period no transfer of shares of the Company will be registered and effected. In order to qualify for attending this meeting, all transfers of shares of the Company accompanied by the relevant share certificates and the appropriate share transfer forms must be lodged with the Company's Branch Share Registrar and Transfer Office in Hong Kong, Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 18 May 2007.
- (e) An Explanatory Statement containing further details regarding ordinary resolutions no. 5 and 7 as required by the Rules Governing the Listing of Securities of the Stock Exchange will be dispatched to the shareholders of the Company together with the annual report 2006.