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## IMPORTANT

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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 a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant, or other professional adviser.

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

The Stock Exchange of Hong Kong Limited 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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**ANGELS**

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# Angels Technology Company Limited

## 英君技術有限公司

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

**(Stock Code: 8112)**

### GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES

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

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

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## CHARACTERISTICS OF GEM

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

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

**The principal means of information dissemination on GEM is publication on the Internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed companies.**

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## DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company for the year ended 31 December 2004 to be held at Room 2712, 27th Floor, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong on Tuesday, 10 May 2005, at 3:00 p.m.;
“AGM Notice”	the notice dated 31 March 2005 convening the Annual General Meeting;
“Articles of Association”	the articles of association of the Company;
“associates”	shall have the meaning set out in, and be interpreted in accordance with, the GEM Listing Rules;
“Board”	the board of Directors;
“Company”	Angels Technology Company Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM;
“Directors”	directors of the Company for the time being;
“GEM”	the Growth Enterprise Market of the Stock Exchange;
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM;
“Group”	the Company and its subsidiaries from time to time;
“HK\$” and “cents”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Latest Practicable Date”	29 March 2005, being the latest practicable date prior to the printing of this circular;
“Mitac”	Mitac International Holdings Limited;
“Sebastian”	Sebastian International Holdings Limited;
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	(a) holder(s) of Shares;

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## DEFINITIONS

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“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Substantial Shareholder”	shall have the meaning set out in, and be interpreted in accordance with, the GEM Listing Rules; and
“Takeover Code”	the Hong Kong Code on Takeovers and Mergers.



**Angels Technology Company Limited**  
**英君技術有限公司**

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

*Executive Directors:*

Mr. Yan, Daniel X.D. (*Chairman*)  
Mr. Lau, Andrew Kim  
Mr. Zhu Quan  
Ms. Shek Ying, Christine

*Independent Non-executive Directors:*

Mr. Yang Xiaoping  
Mr. Zhao Ming  
Ms. Wu Xin

*Registered Office:*

Century Yard  
Cricket Square  
Hutchins Drive  
P.O. Box 2681 GT  
George Town  
Grand Cayman  
British West Indies

*Principal Place of Business:*

Room 2712, 27th Floor  
West Tower, Shun Tak Centre  
168-200 Connaught Road Central  
Hong Kong

31 March 2005

*To the Shareholders*

Dear Sir and Madam,

**GENERAL MANDATES TO ISSUE SHARES  
AND REPURCHASE SHARES**

**INTRODUCTION**

At the Annual General Meeting to be held at 2712, 27th Floor, West Tower, Shun Tak Centre 168-200 Connaught Road Central Hong Kong on Tuesday, 10 May 2005, at 3:00 p.m., resolutions will be proposed to grant the Directors general mandates to allot or issue new Shares and to repurchase Shares.

**GENERAL MANDATE TO ISSUE SHARES**

At the Annual General Meeting, an ordinary resolution will be proposed that the Directors be given a general mandate to allot, issue and deal with Shares up to a limit equal to 20% of the issued share capital of the Company as at the date of passing of such resolution. Another ordinary resolution will be proposed to increase limit of this 20% by the amount of any Shares repurchased by the Company up to a maximum of 10% of the issued share capital of the Company at the date of passing of the relevant resolution.

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# LETTER FROM THE BOARD

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## GENERAL MANDATE TO REPURCHASE SHARES

At the Annual General Meeting, an ordinary resolution will also be proposed to grant to the Directors a general mandate to repurchase Shares on GEM or on any other stock exchange on which the Shares may be listed. Under such mandate, the number of Shares that the Company may repurchase shall not exceed 10% of the share capital of the Company in issue on the date of passing of the resolution.

### Explanatory statement

Appendix I to this circular contains the explanatory statement in compliance with the GEM Listing Rules to give all the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the resolution to approve the granting of a mandate to the Directors to exercise the powers of the Company to repurchase its own Shares.

### General Information

The AGM Notice is set out in the annual report which has been despatched to the Shareholders with this circular.

A form of proxy for the Annual General Meeting is enclosed with the annual report. Whether or not you are able to attend the Annual General Meeting in person, please complete and return the form of proxy in accordance with the instructions printed thereon to the principal office of the Company at Room 2712, 27th Floor, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the Annual General Meeting or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting at the Annual General Meeting or any adjourned meeting (as the case may be) should you so wish.

## RE-ELECTION OF DIRECTORS

In accordance with the Articles of Association, Ms. Wu Xin will hold the office of a director until the Annual General Meeting and Mr. Yang Xiaoping will retire at the Annual General Meeting and both directors, being eligible, will offer themselves for re-election.

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

## PROCEDURE TO DEMAND POLL

A resolution put to the vote at the Annual General Meeting will 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 demanded:

- (i) by the chairman of the Annual General Meeting; or

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## LETTER FROM THE BOARD

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- (ii) by at least three Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the Annual General Meeting; or
- (iii) by any Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to attend and vote at the Annual General Meeting; or
- (iv) by any Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy/proxies and holding Shares conferring a right to attend and vote at the Annual General Meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all Shares conferring that right.

### RECOMMENDATION

The Directors consider that the granting of the general mandates to issue Shares and repurchase Shares are in the best interests of the Company and the Shareholders and therefore recommend you to vote in favour of the relevant resolutions to be proposed at the forthcoming Annual General Meeting.

Yours faithfully,  
**Yan, Daniel X.D.**  
*Chairman*



This is an explanatory statement given to all Shareholders relating to the resolution No. 4B to be proposed at the Annual General Meeting authorising the repurchase mandate.

This explanatory statement contains all the information required pursuant to Rule 13.08 of the GEM Listing Rules which is set out as follows:

### **1. Exercise of the repurchase mandate**

The Company's authority is restricted to purchases made on the Stock Exchange in accordance with the GEM Listing Rules. For your information, on the Latest Practicable Date, there were in issue an aggregate of 204,000,000 Shares. Accordingly, the exercise in full of the repurchase mandate, on the basis that no further Shares are issued or repurchased after the Latest Practicable Date and prior to the date of the Annual General Meeting, would result in up to 20,400,000 Shares being repurchased by the Company. Furthermore, the general mandate covers purchases made only during the period ending on the earliest of (a) the date of the next annual general meeting of the Company; (b) the date by which the next annual general meeting is required to be held by law or the Articles of Association; and (c) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

### **2. Reasons for repurchases**

The Directors have no present intention to repurchase any Shares but consider that the mandate will provide the Company the flexibility to make such purchase when appropriate and beneficial to the Company. Such repurchases may enhance the net value of the Company and/or earnings per share.

### **3. Funding of repurchases**

The Company is empowered by the Articles of Association to purchase its Shares. In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Articles of Association and the applicable laws and regulations of the Cayman Islands. The Company may not repurchase Shares on GEM for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time. Under the laws of the Cayman Islands, the Shares so repurchased will be treated as cancelled and the amount of the Company's issued capital shall be diminished accordingly, but the aggregate amount of authorised share capital of the Company will not be reduced.

### **4. General**

If the repurchase mandate were exercised in full, there could be a material adverse effect on the working capital requirements of the Group or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Group (as compared with the position disclosed in the audited financial statements for the year ended 31 December 2004). The Directors therefore do not propose to exercise the repurchase mandate to such an extent.

## 5. Share prices

The Company has not repurchased any of its Shares (whether on GEM or otherwise) in the six months preceding the date of this circular.

The highest and lowest prices at which Shares have been traded on GEM during each of the previous twelve months and up to and including the Latest Practicable Date were as follows:

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2004</b>		
March	0.275	0.230
April	0.480	0.250
May	0.490	0.385
June	0.410	0.350
July	0.370	0.345
August	0.350	0.225
September	0.300	0.250
October	0.200	0.116
November	0.210	0.144
December	0.250	0.199
<b>2005</b>		
January	0.310	0.200
February	0.208	0.200
March (up to the Latest Practicable Date)	0.208	0.170

## 6. Directors and connected persons

None of the Directors nor, to the best of their knowledge, having made all reasonable enquiries, their respective associates, has any present intention, in the event that the grant to the Directors of a repurchase mandate is approved by the Shareholders, to sell any Shares to the Company.

No connected persons (as defined in the GEM Listing Rules) of the Company has notified the Company that he has a present intention to sell Shares to the Company or has undertaken not to do so in the event that the repurchase mandate is approved by the Shareholders. In accordance with the GEM Listing Rules, the Company is prohibited from knowingly purchase Shares from a connected person on GEM and a connected person shall not knowingly sell his Shares to the Company.

## 7. Undertaking of the Directors

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the repurchase mandate in accordance with the GEM Listing Rules and the applicable laws of the Cayman Islands and Hong Kong and in accordance with the regulations set out in the Articles of Association.

**TAKEOVER CODE**

If as a result of a share repurchase, the proportionate interest in the voting rights of the Company held by a Shareholder increases, such increase will be treated as an acquisition for the purposes of the Takeover Code. Accordingly, the Shareholder or parties acting in concert with that Shareholder could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeover Code.

As at the Latest Practicable Date, Sebastian and Mitac beneficially held 76,900,000 Shares and 35,100,000 Shares respectively, representing approximately 37.7% and 17.2% respectively, of the issued share capital of the Company, were the only Substantial Shareholders holding more than 10% of the Shares in issue. Should the power to repurchase Shares pursuant to the repurchase mandate be exercised in full, Sebastian and Mitac would be beneficially interested in 41.9% and 19.1% respectively of the issued share capital of the Company. Should the power to repurchase Shares pursuant to the repurchase mandate be exercised in full, the increase in shareholding of Sebastian would give rise to an obligation to make a mandatory offer under Rule 26 of the Takeover Code. If so, the Directors will take all necessary steps to comply with the GEM Listing Rules and the Takeover Code. The Directors have no present intention to repurchase any Shares to the extent that it will trigger the obligations under the Takeover Code to make a mandatory offer.

The Directors do not propose to exercise the repurchase mandate to such extent as to result in the number of Shares which are in the hands of the public falling below the prescribed minimum as required by the Stock Exchange.

**YANG XIAOPING**

Mr. Yang Xiaoping, aged 42, is an independent non-executive director and a member of the audit committee of the Company. He is currently a director of Chia Tai Enterprises International Limited, a company listed on the Stock Exchange. Apart from being an independent non-executive director and a member of the audit committee of the Company, Mr. Yang does not hold any other positions in the Company or any member of the Group.

Notwithstanding that Mr. Yang's appointment is not for a fixed term, Mr. Yang is subject to retirement by rotation and re-election at the annual general meetings of the Company pursuant to the Articles of Association. Under a confirmation of appointment between Mr. Yang and the Company, Mr. Yang is entitled to a director's fee of HK\$20,000 per annum, subject to the approval of the general meeting of the Company.

Save as disclosed above, Mr. Yang does not hold any directorship in other listed companies in the past three years. Mr. Yang does not have any interests in shares of the Company within the meaning of Part XV of the Securities and Future Ordinance (Cap. 571 of the Laws of Hong Kong) (the "SFO"). Save that Mr. Yang is an independent non-executive director of the Company, he does not have any relationship with any directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company (within the meaning of the GEM Listing Rules).

Save as disclosed herein, the Board is not aware of any other matters which need to be brought to the attention of the Shareholders.

**WU XIN**

Ms. Wu Xin, aged 35, is an independent non-executive director and a member of the audit committee of the Company. Ms. Wu holds a Master degree in Business Administration majoring in Finance from York University, Toronto, Canada and is a Chartered Financial Analyst. Ms. Wu has been involved in the financial and securities industries for over 11 years. At present, Ms. Wu is a director of PrimeCapital Asia Limited, Beijing. Apart from being an independent non-executive director and a member of the audit committee of the Company, Ms. Wu does not hold any other positions in the Company or any member of the Group.

Notwithstanding that Ms. Wu's appointment is not for a fixed term, Ms. Wu is subject to retirement by rotation and re-election at the annual general meetings of the Company pursuant to the Articles of Association. Under the confirmation of appointment between Ms. Wu and the Company, Ms. Wu is entitled to a director's fee of HK\$20,000 per annum, subject to the approval of the general meeting of the Company.

Save as disclosed above, Ms. Wu does not hold any directorship in other listed companies in the past three years. Ms. Wu does not have any interests in shares of the Company within the meaning of Part XV of the SFO. Save that Ms. Wu is an independent non-executive director of the Company, she does not have any relationship with any directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company (within the meaning of the GEM Listing Rules).

Save as disclosed herein, the Board is not aware of any other matters which need to be brought to the attention of the Shareholders.