

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 stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

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

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UNIONBRIDGE
UNION BRIDGE HOLDINGS LIMITED
(聯僑集團控股有限公司)*
(Incorporated in Bermuda with limited liability)
(Stock Code: 8047)

- (1) PROPOSED REFRESHMENT OF GENERAL MANDATE TO ISSUE AND ALLOT ISSUE SHARES; AND**
(2) PROPOSED REFRESHMENT OF THE 10% LIMIT ON THE GRANT OF OPTIONS UNDER THE SHARE OPTION SCHEME

**Independent financial adviser to the Independent Board Committee
and the independent shareholders of the Company**

Nuada Limited

A letter from the independent board committee of the Company (the “Independent Board Committee”) is set out on page 11 of this circular. A letter from Nuada Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders of the Company, is set out on pages 12 to 16 of this circular.

A notice convening a special general meeting (the “SGM”) of the Company to be held at 10:30 a.m. on Friday, 9 March 2007 at Room 1805-06, 18/F., Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong is set out on pages 17 to 20 of this circular. A form of proxy for use at the SGM is also enclosed with this circular.

Whether or not you are able to attend the SGM, you are advised to read the notice and to complete and return the enclosed form of proxy, in accordance with the instructions printed thereon, to the Company’s branch share registrar in Hong Kong at Tengis Limited, 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjourned meeting. The completion and return of the form of proxy will not preclude you from attending and voting at the SGM or any adjourned meeting in person if you so wish.

This circular will remain at www.hkgem.com on the “Latest company announcements” page of the GEM website for at least 7 days from the date of its posting.

21 February 2007

CHARACTERISTICS OF GEM

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 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. GEM 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 issuers.

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company held on 10 August 2006 in which the Shareholders had approved, among other matters, the Current General Mandate;
“associates”	have the same meaning as ascribed in the GEM Listing Rules;
“Board”	the board of Directors, including all independent non-executive Directors;
“Company”	Union Bridge Holdings Limited, a company incorporated in Bermuda with limited liability and the issued Shares are listed on GEM;
“Companies Act”	the Companies Act 1981 of Bermuda (as amended);
“Current General Mandate”	the general mandate approved at the AGM to grant to the Directors to allot and issue Shares up to 20% of the share capital of the Company in issue on the date of the passing of the relevant ordinary resolution, which was 93,000,000 Shares to be refreshed as the New General Mandate;
“Director(s)”	director(s) of the Company;
“Eligible Participants”	(i) any employees (including, without limitation, executive Directors) of the Company and/or any of its subsidiaries; (ii) any non-executive Directors (including, without limitation, independent non-executive Directors) of the Company and/or any of its subsidiaries; and (iii) any consultant, supplier or customer of the Company and/or any of its subsidiaries;
“GEM”	the Growth Enterprises Market of the Stock Exchange;
“GEM Listing Rules”	Rules Governing the Listing of Securities on GEM;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Board Committee”	an independent committee of the Board, comprising all the independent non-executive Directors, to advise the Independent Shareholders as to the fairness and reasonableness of the grant of the New General Mandate;

DEFINITIONS

“Independent Financial Adviser or IFA”	Nuada Limited, a licensed corporation to carry out type 6 (advising on corporate finance) regulated activities as defined under the SFO, being the independent financial adviser to the Independent Board Committee in relation to the proposed grant of New General Mandate;
“Independent Shareholders”	Shareholders other than controlling Shareholders and their associates;
“Latest Practicable Date”	15 February 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular;
“New General Mandate”	the general mandate proposed to be granted to the Directors at the SGM to allot, issue and deal with additional Shares not exceeding 20% of the share capital of the Company in issue on the date of the passing of the relevant ordinary resolutions so as to refresh the Current General Mandate;
“Open Offer”	the proposed open offer of 318,472,500 offer shares at HK\$0.06 per offer share on the basis of one offer share for every two shares held on record date payable in full on application, in relation to the prospectus of the Company dated 7 February 2007;
“Scheme Limit Refreshment”	the refreshment of the Scheme Mandate Limit;
“Scheme Mandate Limit”	the total number of Shares which may be issued upon the exercise of all options granted under the Share Option Scheme and any other share option schemes of the Company, being 10% of the Shares in issue as at 10 August 2006 (the date on which the AGM was held for the purpose of, among other things, approving and adopting the Share Option Scheme);
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“SGM”	the special general meeting of the Company to be convened and held on Friday, 9 March 2007 at Room 1805-06, 18/F., Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong to consider and, if appropriate, to approve the proposed grant of the New General Mandate and the Scheme Limit Refreshment;
“Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company;

DEFINITIONS

“Share Option Scheme”	the share option scheme conditionally approved and adopted by the Company on 18 October 2001;
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“HK\$”	Hong Kong dollars, the lawfully currency of Hong Kong;
“%”	per cent.


UNIONBRIDGE
UNION BRIDGE HOLDINGS LIMITED
(聯僑集團控股有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 8047)

Executive Directors:

Mr. Wan Kin Chung (*Chairman*)
Mr. Wong Tak Shing (*Deputy Chairman*)
Mr. Lo Ka Tong
Mr. Cheng Kwong Chung
Mr. Chan Hin Wing, James

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Independent non-executive Directors:

Mr. Kwok Chi Sun, Vincent
Mr. Yeung Kam Yan
Mr. Chan Wing Chiu

*Head office and principal place of
business in Hong Kong:*

Room 1805-06
18/F., Riley House
88 Lei Muk Road
Kwai Chung
New Territories
Hong Kong

21 February 2007

To the Shareholders

Dear Sirs or Madams,

**(1) PROPOSED REFRESHMENT OF GENERAL MANDATE TO ISSUE AND
ALLOT ISSUE SHARES; AND**
**(2) PROPOSED REFRESHMENT OF THE 10% LIMIT ON THE GRANT OF
OPTIONS UNDER THE SHARE OPTION SCHEME**

I. INTRODUCTION

The purpose of this circular is to provide you with the information relating to (i) the proposed grant of the New General Mandate; (ii) the proposed Scheme Limit Refreshment; (iii) the recommendation from the Independent Board Committee to the Independent Shareholders on the proposed grant of the New General Mandate; (iv) the recommendation from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, on the proposed grant of the New General Mandate; and (v) the notice of SGM, at which the ordinary resolutions will be proposed to the Independent Shareholders and the Shareholders, as the case may be, to consider and, if thought fit, approve the grant of the New General Mandate by way of poll and Scheme Limit Refreshment by show of hands.

* *For identification purpose only*

LETTER FROM THE BOARD

II. GENERAL MANDATE REFRESHMENT

Current General Mandate

At the AGM, Shareholders approved, among other things, an ordinary resolution to grant to the Directors the Current General Mandate to issue not more than 93,000,000 Shares, being 20% of the aggregate nominal amount of the issued share capital of the Company of 465,000,000 Shares as at the date of passing of the resolution.

During the period from the grant of the Current General Mandate to the Latest Practicable Date, the Current General Mandate had been utilised as to 93,000,000 Shares in association with the private placing of non-listed warrants of the Company, details of which were set out in the announcement of the Company dated 27 October 2006, being the entire number of Shares which may be allotted and issued under the Current General Mandate. As at the Latest Practicable Date, all such warrants have been exercised.

Proposed Grant of New General Mandate

As the Current General Mandate has been fully utilized, the Company will be convening the SGM at which an ordinary resolution, among other ordinary resolutions, will be proposed to the Independent Shareholders that the Directors be granted the New General Mandate to allot and issue Shares not exceeding 20% of the share capital of the Company in issue as at the date of passing the relevant ordinary resolution.

The Company has not refreshed the Current General Mandate since the AGM. The Company proposes to refresh the Current General Mandate as the New General Mandate which will last 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 memorandum of association and bye-laws of the Company or any other applicable laws to be held; or
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors under the New General Mandate.

As at the Latest Practicable Date, the Company had an aggregate of 636,945,000 Shares in issue. Upon completion of the Open Offer which is expected to be 2 March 2007 after the Open Offer becomes unconditional but before the date of the SGM, i.e. 9 March 2007, a total of 318,472,500 Shares will be issued and an aggregate of 955,417,500 Shares will be in issue. On the basis that no further Shares are issued and/or repurchased by the Company between the date on which the Open Offer becoming unconditional and the date of the SGM (assuming completion of the Open Offer by that time), the Company would be allowed under the New General Mandate to allot and issue up to 191,083,500 Shares representing 20% of the share capital of the Company in issue at the date of SGM.

LETTER FROM THE BOARD

Reasons for the New General Mandate

The Group is principally engaged in (i) the research, development and provision of information-on-demand system solutions and the provision of related products and services; (ii) the trading and manufacturing of electronics devices and components and the provision of a full range of design and engineering services to high-end brand-named users in the industry; and (iii) the provision of diversified mobile value-added services of the telecommunication business sector in the PRC.

The Board believes that the grant of the New General Mandate is in the best interests of the Company and the Shareholders as a whole by maintaining the financial flexibility necessary for the Group's future business development.

The Board considers equity financing to be an important avenue of resources to the Group since it does not create any interest paying obligations on the Group. In appropriate circumstances, the Group will also consider other financing methods such as debt financing or internal cash resources to fund its future business development. While the Board has no current concrete funds raising proposal, the Board is proposing to seek the approval from the Independent Shareholders at the SGM for the grant of New General Mandate such that should funding needs arise or attractive terms for investment in the Shares become available from potential investors, the Board will be able to respond to the market and such investment opportunities promptly because carrying out fund raising exercises pursuant to a general mandate requires less lead time and provides the Company with a simpler process than other types of fund raising exercises and can avoid the uncertainties in such circumstances that specific mandate may not be obtained in a timely manner.

Other than the private placing of 93,000,000 non-listed warrants of the Company on 27 October 2006 and the Open Offer, no fund raising activity has been conducted by the Company since the AGM.

In view of the above, the Directors consider the grant of the New General Mandate, which may or may not be utilised, is in the best interests of the Company and the Shareholders as a whole.

III. SCHEME LIMIT REFRESHMENT

The purpose of the Share Option Scheme is to provide incentives or rewards to the Eligible Participants for their contribution and/or future contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group.

Under the Share Option Scheme, the total number of Shares which may be issued upon exercise of all options granted under the Share Option Scheme (excluding, for the purpose of calculating the Scheme Mandate Limit, options lapsed (if any) in accordance with the terms of the Share Option Scheme) shall not exceed the Scheme Mandate Limit. The Company may seek approval of the Shareholders at the SGM for refreshing the Scheme Mandate Limit provided that the total number of Shares in respect of which options may be granted under the Share Option Scheme and any other share option schemes of the Company under the Scheme Mandate Limit as refreshed shall not exceed 10% of the total number of Shares in issue as at the date of the approval of the Shareholders on the refreshment of the Scheme Mandate Limit. Options previously granted under the Share Option Scheme (including those outstanding,

LETTER FROM THE BOARD

exercised, cancelled or lapsed in accordance with the terms of the Share Option Scheme) will not be counted for the purpose of calculating the Scheme Mandate Limit as refreshed. The maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company should not exceed 30% of the total number of Shares in issue from time to time.

As at the Latest Practicable Date, particulars of the options granted under the Share Option Scheme are set forth below:

**Number of Shares
in respect of the
options granted
under the Share
Option Scheme**

For options outstanding:	–
For options cancelled:	–
For options lapsed:	–
For options exercised:	30,000,000
	<hr/>
For options granted (including outstanding, cancelled, lapsed or exercised):	30,000,000
	<hr/> <hr/>

There has not been any refreshment of the Scheme Mandate Limit since the AGM. As at the Latest Practicable Date, there were no options, warrants and similar rights to subscribe or purchase equity securities of the Company.

The current Scheme Mandate Limit is 46,500,000 Shares. As at the Latest Practicable Date, options carrying the rights to subscribe for up to a total of 30,000,000 Shares have been granted under the Share Option Scheme representing approximately 7.30% of the total number of issued Shares as at the Latest Practicable Date and all such options have been exercised as at the Latest Practicable Date. Unless the Scheme Mandate Limit is refreshed, only up to 16,500,000 Shares may be issued pursuant to the grant of further options under the Share Option Scheme. The refreshment of the Scheme Mandate Limit will increase the flexibility of the Company in achieving the purpose of the Share Option Scheme as mentioned above.

As at the Latest Practicable Date, there were 636,945,000 Shares in issue. Upon completion of the Open Offer, a total of 318,472,500 Shares will be issued and an aggregate of 955,417,500 Shares will be in issue. For illustrative purpose only, assuming that no further Shares will be issued or repurchased prior to the SGM, the maximum number of Shares issuable under any options that can be granted by the Company under the refreshed Scheme Mandate Limit would be 95,541,750 Shares, representing 10% of the Shares in issue as at the date of the SGM.

LETTER FROM THE BOARD

The proposed Scheme Limit Refreshment is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders to approve the Scheme Limit Refreshment at the SGM; and
- (ii) the GEM Listing Committee granting the listing of, and permission to deal in, the Shares which may be issued upon the exercise of any option that may be granted under the Share Option Scheme under the refreshed Scheme Mandate Limit.

An ordinary resolution will be proposed at the SGM to approve the proposed Scheme Limit Refreshment and is set out as an ordinary resolution numbered 2 in the notice of the SGM on pages 17 to 20 of this circular.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Shares which may be issued upon the exercise of any option that may be granted under the Share Option Scheme subject to the refreshed Scheme Mandate Limit.

IV. SPECIAL GENERAL MEETING

Pursuant to Rule 17.42A(1) of the GEM Listing Rules, the New General Mandate requires the approval of the Independent Shareholders at the SGM at which any of the controlling Shareholders and their associates or, where there are no controlling Shareholders, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the relevant resolution. As at the Latest Practicable Date, there was a controlling Shareholder, Starryland Profits Limited which is interested in 202,500,000 Shares, representing approximately 31.79% of the total issued share capital of the Company. Therefore, only Starryland Profits Limited and its associates (if any) shall abstain from voting in favour of the relevant resolution at the SGM.

Pursuant to Rule 17.47(4)(b) of the GEM Listing Rules, any vote of the Independent Shareholders at the SGM will be taken by poll and a relevant results announcement will be made after the SGM.

The notice convening the SGM is set out on pages 17 to 20 of this circular. At the SGM, ordinary resolutions will be proposed to approve the proposed grant of the New General Mandate and the Scheme Limit Refreshment. A form of proxy for use at the SGM is also enclosed with this circular. To be valid, the enclosed form of proxy, together with any power of attorney or other authority under which it is signed must be completed in accordance with the instructions printed thereon and delivered to the Company's branch share registrar in Hong Kong at Tengis Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjourned meeting. The completion and return of the form of proxy will not preclude you from attending and voting at the SGM or any adjourned meeting in person if you so wish.

LETTER FROM THE BOARD

V. POLL PROCEDURES FOR DEMANDING A POLL

Pursuant to Bye-law 66 of the Bye-laws, 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 demanded:

- (i) by the chairman of the meeting;
- (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 meeting;
- (iii) by a 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 vote at the meeting; and
- (iv) by a 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 holding Shares in the Company conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all Shares conferring that right.

VI. INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprises Mr. Kwok Chi Sun, Vincent, Mr. Yeung Kam Yan and Mr. Chan Wing Chiu, all being independent non-executive Directors. The Independent Board Committee has been established to advise the Independent Shareholders on the grant of the New General Mandate.

Nuada Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the grant of the New General Mandate.

VII. RECOMMENDATIONS

Grant of New General Mandate

The Directors consider the grant of the New General Mandate is in the interest of the Company and the Shareholders as a whole and accordingly recommend the Independent Shareholders to vote in favour of the relevant resolution to be proposed at the SGM for approving the grant of the New General Mandate.

The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, considers that the grant of the New General Mandate is fair and reasonable so far as the Independent Shareholders are concerned and accordingly recommends the Independent Shareholders to vote in favour of the relevant resolution to be proposed at the SGM for approving the grant of the New General Mandate.

LETTER FROM THE BOARD

Your attention is drawn to the letter of advice from the IFA set out on pages 12 to 16 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in connection with the grant of the New General Mandate and the letter from the Independent Board Committee set out on page 11 of this circular which contains its recommendation to the Independent Shareholders in relation to the grant of the New General Mandate.

Scheme Limit Refreshment

The Directors consider the Scheme Limit Refreshment is in the interest of the Company and the Shareholders as a whole and accordingly recommend the Independent Shareholders to vote in favour of the relevant resolution to be proposed at the SGM for approving the grant of the Scheme Limit Refreshment.

VIII. RESPONSIBILITY STATEMENT

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

Yours faithfully
For and on behalf of the Board
Union Bridge Holdings Limited
Wan Kin Chung
Chairman


UNIONBRIDGE
UNION BRIDGE HOLDINGS LIMITED
(聯僑集團控股有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 8047)

21 February 2007

To the Independent Shareholders

Dear Sirs or Madams,

**REFRESHMENT OF GENERAL MANDATE TO ISSUE AND
ALLOT ISSUE SHARES**

We refer to the circular of the Company dated 21 February 2007 (the “Circular”) of which this letter forms part. Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as defined in the Circular.

We have been appointed by the Board to advise the Independent Shareholders in connection with the proposed grant of the New General Mandate. Nuada Limited has been appointed as the independent financial adviser to advise us in this respect.

Having considered the principal reasons and factors considered by, and the advice of, the Independent Financial Adviser as set out in its letter of advice to us on pages 12 to 16 of the Circular, we are of the opinion that the proposed grant of the New General Mandate is fair and reasonable and is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the relevant ordinary resolution to be proposed at the SGM to approve the grant of the New General Mandate by way of poll.

Independent Board Committee

Mr. Kwok Chi Sun, Vincent

Mr. Yeung Kam Yan

Mr. Chan Wing Chiu

Independent non-executive Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter from Nuada Limited setting out the advice to the Independent Board Committee and the Independent Shareholders for inclusion in this circular.

Nuada Limited
7th Floor, New York House
60 Connaught Road Central
Hong Kong

21 February 2007

*To the Independent Board Committee
and the Independent Shareholders of
Union Bridge Holdings Limited*

Dear Sirs,

PROPOSED REFRESHMENT OF GENERAL MANDATE TO ISSUE AND ALLOT SHARES

INTRODUCTION

We refer to the circular dated 21 February 2007 issued by the Company to the Shareholders of which this letter forms part (the “Circular”) and our appointment as independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the proposed granting of the New General Mandate, details of which are set out in the letter from the Board contained in the Circular (the “Board Letter”). Capitalised terms used in this letter, unless the context otherwise requires, shall have the same meaning ascribed to them in the Circular.

Pursuant to Rule 17.42A of the GEM Listing Rules, the granting of the New General Mandate is subject to the approval of the Independent Shareholders by way of poll at the SGM. The controlling Shareholders and their associates or, where there are no controlling Shareholders, Directors (excluding the independent non-executive Directors) and the chief executive and their respective associates shall abstain from voting in favour of the relevant resolutions at the SGM. As at the Latest Practicable Date, Starryland Profits Limited, being the controlling Shareholder, and its associates were in aggregate interested in 202,500,000 Shares, representing 31.79% of the issued share capital of the Company as at the Latest Practicable Date. Starryland Profits Limited and its associates will abstain from voting in favour of the resolution to approve the New General Mandate at the SGM. The Independent Board Committee has been established to advise whether the proposed granting of the New General Mandate is in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

BASIS OF OUR ADVICE

In formulating our opinion, we have relied on the information, facts and representations contained or referred to in the Circular and the information, facts and representations provided by, and the opinions expressed by the Directors, the Company and its management. We have assumed that all statements, information, facts, opinions and representations made to us or referred to in the Circular were true, accurate and complete at the time when they were made and continued to be true, accurate and complete as at the date of the Circular. We have no reason to doubt the truth, accuracy and completeness of the statements, information, facts, opinions and representations provided to us by the Directors, the Company and its management. The Directors have confirmed to us that no material facts have been omitted from the information supplied and opinions expressed. We consider that we have been provided with sufficient information to reach an informed view to provide a reasonable basis for our opinion.

All the Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that, to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and that there are no other facts not contained in the Circular the omission of which would make any statement in the Circular misleading. We have relied on such information and opinions and have not, however, conducted any independent investigation into the business, financial conditions and affairs or the future prospects of the Group.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the proposed granting of the New General Mandate, we have taken the following principal factors and reasons into consideration:

Background

The Group is principally engaged in research, development and provision of information-on-demand system solutions and the provision of related products and services; the trading and manufacturing of electronics devices and components and the provision of a full range of design and engineering services to high-end brand-named users in the industry as well as the provision of diversified mobile value-added services of the telecommunication business sector in the PRC.

At the AGM, the Directors were granted the Current General Mandate to allot and issue up to 93,000,000 new Shares, representing 20% of the aggregate nominal amount of the issued share capital of the Company of 465,000,000 Shares then in issue. The Current General Mandate has been fully utilized pursuant to a private placing of 93,000,000 warrants as detailed in the announcement of the Company dated 27 October 2006. As at the Latest Practicable Date, all such warrants have been exercised.

To maintain the financial flexibility necessary for the Group's future business development, the Directors therefore propose to seek the approval of the Independent Shareholders at the SGM for the granting of the New General Mandate.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Company had an aggregate of 636,945,000 Shares in issue as at the Latest Practicable Date. Upon completion of the Open Offer (details of which are stated in the circular of the Company dated 7 February 2007), a total of 318,472,500 Shares will be issued and an aggregate of 955,417,500 Shares will be in issue. On the basis that no further Shares are issued and/or repurchased by the Company between the date on which the Open Offer becoming unconditional and the date of the SGM (assuming completion of the Open Offer by that time), the Company would be allowed under the New General Mandate to allot and issue up to 191,083,500 Shares representing 20% of the share capital of the Company in issue on the date of SGM.

Reasons for the New General Mandate

As stated in the Board Letter, the Directors consider that equity financing to be an important avenue of resources to the Group since it does not create any interest paying obligations on the Group. While the Board considers that there is no immediate funding need for the Group's current operations and that there is currently no concrete proposal presented by potential investors for investment in Shares, the Board proposes to seek approval of the Independent Shareholders at the SGM of the New General Mandate such that should future funding needs arise or attractive terms for investment in Shares become available from potential investors, the Board will be able to respond to the market and such investment opportunities promptly.

Continued expansion of the Group's businesses and flexibility in financing alternatives

As stated in the interim report 2006/2007 of the Company (the "Interim Report"), after the acquisition of the Union Bridge Group Limited in March 2006, the trading and manufacturing of electronic devices and components as well as the provision of full range of design and engineering services contribute significantly to the turnover of the Group, which compensates the decrease in sales of internet appliances and related product and services fee from provision of services in relation to e-commerce platform and related services due to the intense competitive environment in electronic business. Going forward, the Group will look for other opportunities to diversify its revenue base, explore new markets and develop new products as well as explore investment opportunities so as to optimize the shareholders' value. Subsequent to a series of acquisition in the past year, the financial performance of the Group has been improving as reflected in the six months results ended 30 September 2006 which has demonstrated a turnaround from loss-making of approximately HK\$1.3 million in the same period in 2005 to approximately HK\$0.8 million profit for the six months ended 30 September 2006. Leveraging on its improved financial performance as well as the acquisition and investment strategy, the Group decided to equip itself with a better financial position and to raise funds for any possible future investments.

Given the Current General Mandate which has been utilised, may any investment opportunities arise that would lead to issuance of new Shares and specific mandate may have to be sought in this respect, the Directors are uncertain as to whether the requisite approval from the Independent Shareholders could be obtained in a timely manner. In addition, the New General Mandate offers an opportunity for the Directors to capture a favourable equity market condition to raise funds by issuing new Shares.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Notwithstanding the fact that the Group had no immediate funding need for its current operations and there is currently no concrete proposal presented by potential investors for investment in Shares, the Directors believe that the New General Mandate would offer the Group higher flexibility to capture investment opportunities which may arise at any time and require prompt investment decision by the Group. The Directors also consider that the New General Mandate would provide the Company with the maximum flexibility to raise additional capital for any future investment or as working capital of the Group.

In light of the acquisition and investment strategy adopted by the Group and the Group's intention to look for other opportunities to diversify its revenue base, explore new markets and develop new products as well as explore investment opportunities so as to optimize the shareholders' value and the fact that the Current General Mandate has been fully utilized, we are of the opinion that the New General Mandate would provide the Company with the necessary flexibility essential for fulfilling any possible funding needs for future business development and/or investment decisions in a timely manner. As such, we are of the view that the granting of the New General Mandate will be in the interest of the Company and the Shareholders as a whole.

Other financing alternative

As stated in the Board Letter, in appropriate circumstances, the Group will also consider other financing methods such as debt financing or internal cash resources to fund its future business development. While sufficient for its present requirements, there is no certainty that such cash resources will be adequate or other financing alternatives will be available for appropriate investment that may be identified by the Company in the future.

In addition, as debt financing may incur interest burden to the Group, the Directors consider that equity financing such as issuance of new Shares for cash or equity swaps may be an appropriate mean to fund such investments and/or acquisitions and provide additional working capital for the future development and expansion of the Group, given the Group's financial position, capital structure, cost of funding and the then financial market condition.

We consider that the granting of the New General Mandate will provide the Company with an additional alternative and it is reasonable for the Company to have the flexibility in deciding the financing methods for its future development, including equity issuance. As such, we are of the view that the granting of the New General Mandate will be in the interest of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Potential dilution to shareholdings of the Independent Shareholders

Set out below is a table showing (i) the shareholdings of the Company as at the Latest Practicable Date; (ii) the shareholdings of the Company upon completion of the Open Offer; and (iii) for illustrative purpose, the potential dilution effect upon full utilisation of the New General Mandate, assuming the completion of the Open Offer prior to the date of SGM and no other Shares are issued or repurchased by the Company.

	As at the Latest Practicable Date		Upon completion of the Open Offer		Upon full utilisation of the New General Mandate	
	Shares	%	Shares	%	Shares	%
Starryland Profits Limited	202,500,000	31.79	303,750,000	31.79	303,750,000	26.49
Independent Shareholders	434,445,000	68.21	651,667,500	68.21	651,667,500	56.84
Shares issued under New General Mandate	–	0.00	–	0.00	191,083,500	16.67
Total	<u>636,945,000</u>	<u>100.00</u>	<u>955,417,500</u>	<u>100.00</u>	<u>1,146,501,000</u>	<u>100.00</u>

As illustrated in the table above, assuming completion of the Open Offer prior to the date of the SGM and no other Shares are issued and/or repurchased by the Company, the aggregate shareholding of the Independent Shareholders will decrease from approximately 68.21% upon completion of the Open Offer to approximately 56.84% upon full utilisation of the New General Mandate. Taking into account the benefits of the New General Mandate as discussed above and the fact that the shareholdings of all Shareholders will be diluted proportionately, we consider such dilution or potential dilution of shareholding to be reasonable.

RECOMMENDATION

Having considered the factors and reasons as stated above, we are of the view that the granting of the New General Mandate is in the interest of the Company and Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the ordinary resolution in relation to the granting of the New General Mandate to be proposed at the SGM. Independent Shareholders are however advised to take note of the possible dilution effect on their shareholding interests in the Company when and if the New General Mandate is utilised.

Yours faithfully,
For and on behalf of
Nuada Limited

Bernard Chan
Director

Po Chan
Director


UNIONBRIDGE
UNION BRIDGE HOLDINGS LIMITED
(聯僑集團控股有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 8047)

NOTICE IS HEREBY GIVEN that a special general meeting (the “**SGM**”) of the shareholders of Union Bridge Holdings Limited (the “**Company**”) will be held at Room 1805-06, 18/F., Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong on Friday, 9 March 2007 at 10:30 a.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. **“THAT** to the extent not already exercised, the mandate to allot and issue shares of the Company given to the directors (the “**Directors**”) of the Company at the annual general meeting of the Company held on 10 August 2006 (the “**AGM**”) be and is hereby revoked and replaced by the mandate **THAT**:
 - (a) subject to paragraph (c) below, pursuant to the Rules (the “**GEM Listing Rules**”) Governing the Listing of Securities on the Growth Enterprises Market of The Stock Exchange of Hong Kong Limited, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with unissued shares of HK\$0.05 each (the “**Shares**”) in the capital of the Company and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
 - (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers 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 options or otherwise), issued or dealt with by the Directors pursuant to the approval in paragraph (a) 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 of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the bye-laws (the “**Bye-laws**”) of the Company in force from time to time; or (iv) any issue of Shares

* For identification purpose only

NOTICE OF SGM

upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed the aggregate of:

- (aa) 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution; and
- (bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of such resolution), and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (d) for the purpose of this resolution:

“**Relevant Period**” means the period from the date 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 Bye-laws, the Companies Act 1981 of Bermuda or any other applicable law of Bermuda to be held; or
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the register on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

2. “**THAT** the existing scheme mandate limit in respect of the granting of options to subscribe for shares in the Company (“Shares”) under the share option scheme adopted by the Company on 18 October 2001 (the “Share Option Scheme”) be refreshed and renewed provided that the total number of Shares which may be allotted and issued upon exercise of the options to be granted under the Share Option Scheme and any other share option schemes of the

NOTICE OF SGM

Company (excluding options previously granted, outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme and any other share option schemes of the Company) (where such options hereinafter collectively referred to as “Options”) shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution (the “Refreshed Limit”) and subject to The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) granting the listing of and permission to deal in the Shares to be issued pursuant to the exercise of the Options to be granted under the Refreshed Limit and in compliance with the GEM Listing Rules the directors of the Company be and are hereby authorised, at their absolute discretion, to grant Options and to allot and issue Shares pursuant to the exercise of any Options up to the Refreshed Limit.”

By order of the Board
Union Bridge Holdings Limited
Wan Kin Chung
Chairman

Hong Kong, 21 February 2007

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head office and principal place of business in Hong Kong:

Room 1805-06
18/F., Riley House
88 Lei Muk Road
Kwai Chung
New Territories
Hong Kong

NOTICE OF SGM

Notes:

1. A member entitled to attend and vote at the SGM is entitled to appoint one or more than one proxy to attend and, subject to the provisions of the Bye-laws, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the SGM to represent the member. 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.
2. A form of proxy for use at the SGM is enclosed. Whether or not you intend to attend the SGM in person, you are encouraged to complete and return the enclosed form of proxy in accordance with the instructions printed thereon. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the SGM or any adjournment thereof, should he so wish.
3. In order to be valid, the form of proxy, together with a power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority must be deposited at the Company' branch share registrar in Hong Kong at Tengis Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof.
4. In the case of joint holders of shares, any one of such holders may vote at the SGM, either personally or by proxy, in respect of such share as if he was solely entitled thereto, but if more than one of such joint holder are present at the SGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.
5. Pursuant to the GEM Listing Rules, the voting on ordinary resolution number one at the SGM will be conducted by way of poll and only Independent Shareholders could vote.