



# **CHINA MOTOR BUS COMPANY, LIMITED**

*(incorporated in Hong Kong with limited liability)*

*(Stock code: 026)*

## **Notice of Ordinary Yearly Meeting**

NOTICE IS HEREBY GIVEN that the Seventieth Ordinary Yearly Meeting of the Members of the Company will be held at its registered office at 391 Chai Wan Road, Chai Wan, Hong Kong on Friday, 12th December, 2008 at 12:00 noon for the following purposes:-

1. To receive and consider the Statement of Accounts and the Reports of the Directors and Auditors for the year ended 30th June, 2008 and to declare a final dividend.
2. To elect Directors and fix their fees.
3. To appoint Auditors and authorise the Directors to fix their remuneration.
4. As special business to consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"THAT:

(A) the exercise by the Directors of all powers of the Company to purchase its own shares, subject to and in accordance with all applicable laws and regulations, during the Relevant Period (for the purposes of this Resolution, "Relevant Period" being the period from the passing of this Resolution until the earlier of the conclusion of the next Ordinary Yearly Meeting, or the expiration of the period within which such meeting is required by law to be held, or the revocation or variation of this Resolution by an ordinary resolution of the Shareholders of the Company in general meeting) be and is hereby generally and unconditionally approved; and

(B) the total number of shares of the Company purchased by the Company pursuant to paragraph (A) during the Relevant Period shall be no more than 2% of the existing issued share capital of the Company at the date of this meeting, and the authority pursuant to paragraph (A) shall be limited accordingly."

5. As special business to consider and, if thought fit, to pass the following resolution as a Special Resolution:

"THAT the Articles of Association of the Company be and are hereby amended as follows:

by adding the following New Article 103A immediately after the existing Article 103:

"103A Where a shareholder is a recognized clearing house (within the meaning of the Securities and Futures Ordinance (Chapter 571) of the Laws of Hong Kong) or its nominee(s), it may authorise such person or persons as it thinks fit to act as its representative(s) or proxy(ies) at any shareholders' meetings provided that, if more than one person is so authorised, the authorisation or proxy form must specify the number of shares in respect of which each such person is so authorised. The person so authorised will be deemed to have been duly authorised without the need of producing any documents of title, notarised authorisation and/or further evidence for substantiating the facts that it is duly authorised and will be entitled to exercise the same power on behalf of the recognized clearing house as that clearing house or its nominee(s) could exercise if it were an individual shareholder of the Company."

6. As special business to consider and, if thought fit, to pass the following resolution as a Special Resolution:

"THAT the Articles of Association of the Company be and are hereby amended as follows:

by deleting the existing Article 119 in its entirety and substituting the same by the following new Article 119:

"119. Each of the Directors shall be paid out of the funds of the Company in each year by way of remuneration such sum, not exceeding \$250,000 in the case of the Chairman of the Board and the Chairman of the Audit Committee, and not exceeding \$100,000 in the case of all other Directors, as the Company shall, in general meeting, determine."

7. To transact any other competent business.

By Order of the Board

Kwok Pun Tak  
Secretary

Hong Kong, 17th October, 2008

#### Explanatory Note on Resolution 2

In relation to item 2 above, Dr. Henry Ngan, Dr. Liu Lit-mo, Messrs. Fritz Helmreich, Anthony Grahame Stott and Tse Yiu-wah retire from the Board pursuant to Article 122 of the Company's Articles of Association and, being eligible, offer themselves for re-election. The biographical details and interests in the shares of the Company of all the Directors to be re-elected at the Ordinary Yearly Meeting are provided in the explanatory statement for the re-election of Directors, general mandate for repurchase of own shares and amendments to Articles of Association of the Company which accompanies this Annual Report.

#### Explanatory Note on Resolution 4

Resolution 4 relates to the grant of a general mandate to the Directors to repurchase shares of the Company up to a maximum of 2% of the issued share capital of the Company at the date of the resolution (the "Repurchase Mandate"). The authority conferred on the Directors by the Repurchase Mandate would continue in force until the earlier of the conclusion of the next Ordinary Yearly Meeting of the Company, the expiration of the period within which the next Ordinary Yearly Meeting is required by law to be held, or until revoked or varied by ordinary resolution of the Shareholders in general meeting prior to the next Ordinary Yearly Meeting. An explanatory statement providing details for the re-election of Directors, general mandate for repurchase of own shares and amendments to Articles of Association of the Company accompanies this Annual Report.

#### Explanatory Note on Special Resolution No. 5

In order to bring the Company's Articles of Association in line with a recent requirement of the Stock Exchange of Hong Kong Limited, it is proposed that a new Article 103A be added so as to permit a Shareholder which is a recognized clearing house (within the meaning of the Securities and Futures Ordinance, Cap. 571 of the Laws of Hong Kong) to appoint more than one corporate representative(s) or proxy(ies) at any Shareholders' Meeting, each corporate representative or proxy to act in respect of a specified number of shares of such Shareholder. An explanatory statement providing details for the re-election of Directors, general mandate for repurchase of own shares and amendments to Articles of Association of the Company accompanies this Annual Report.

#### Explanatory Note on Special Resolution No. 6

The existing Article 119 limits the annual remuneration of each Director to not more than HK\$50,000. This limit on remuneration was fixed in 1999 and is no longer realistic today. Furthermore, the imposition of the same limit across the board fails to take into account the different job responsibilities of individual Directors. Under the proposed amendment, it is recognized that certain Directors, such as the Chairman of the Board and the Chairman of the

Audit Committee, may have a heavier workload than other Directors and it should be possible for them to be remunerated at a higher level than other Directors. Although it is proposed that the limit placed on the annual remuneration of Directors be increased and to introduce two different limits, the actual remuneration to be awarded to each Director will be determined by the Shareholders in General Meeting, who will have a discretion in fixing the annual remuneration of each Director, having regard to the limits set out in the proposed new Article 119. An explanatory statement providing details for the re-election of Directors, general mandate for repurchase of own shares and amendments to Articles of Association of the Company accompanies this Annual Report.

*Notes:*

- (1) A shareholder entitled to attend and vote at the above Meeting may appoint a proxy or proxies (not exceeding 2 in number) to attend and vote in his place and such proxy need not be a shareholder of the Company.*
- (2) To be valid, forms of proxy must be deposited at the Registered Office of the Company not less than forty-eight hours before the time fixed for holding the Meeting or adjourned Meeting.*
- (3) Pursuant to Articles 96 and 97 of the Articles of Association of the Company, every question submitted to a general meeting shall be decided in the first instance by a show of hands of the shareholders present in person and entitled to vote, but a poll may be demanded (before a declaration by the chairman that a resolution has been carried or carried by a particular majority or lost or not carried by a particular majority) by:
  - (i) at least four shareholders; or*
  - (ii) a shareholder or shareholders holding or representing by proxy or entitled to vote in respect of at least one-tenth part of the capital represented at the meeting.**
- (4) To qualify for the final dividend and the special dividend, all unregistered transfers should be lodged at the Company's Registrar, Computershare Hong Kong Investor Services Limited, at 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Friday, 5th December, 2008.*
- (5) The Transfer Books and Register of Members of the Company will be closed from Monday, 8th December, 2008 to Thursday, 11th December, 2008, both days inclusive.*
- (6) As at the date of this Notice, the Directors of the Company are:-  
Ngan Kit-ling, Dr. Ngan Kit-keung, Dr. Henry Ngan, Dr. Liu Lit-mo\*, Fritz Helmreich, Anthony Grahame Stott\* and Tse Yiu-wah\*.*
- (7) In the case of any conflict between the Chinese translation and the English text hereof, the English text will prevail.*

*\*Independent Non-executive Director*