

**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, a bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Beijing Development (Hong Kong) Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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**北京發展(香港)有限公司**  
**BEIJING DEVELOPMENT (HONG KONG) LIMITED**

*(Incorporated in Hong Kong with limited liability under the Companies Ordinance)*

(Stock Code: 154)

**PROPOSED GRANTING OF GENERAL MANDATES  
TO REPURCHASE SHARES  
AND TO ISSUE NEW SHARES OF THE COMPANY**

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A notice convening an annual general meeting of Beijing Development (Hong Kong) Limited to be held at Aberdeen Room, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Tuesday, 20 May 2008 at 10:00 a.m. is set out on pages 13 to 16 of this circular. A form of proxy for use at the annual general meeting is also enclosed. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited ([www.hkex.com.hk](http://www.hkex.com.hk)).

Whether or not you are able to attend the annual general meeting, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's Share Registrar, Tricor Tengis Limited, at Level 25, Three Pacific Place, 1 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the meeting if they so wish.

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## DEFINITIONS

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

“Annual General Meeting”	an annual general meeting of the Company to be held at Aberdeen Room, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Tuesday, 20 May 2008 at 10:00 a.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 13 to 16 of this circular, or any adjournment thereof;
“Articles of Association”	the articles of association from time to time adopted by the Company;
“Board”	the board of Directors;
“Buyback Mandate”	as defined in paragraph 2(a) of the Letter from the Board;
“Company”	Beijing Development (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability under the Companies Ordinance, the Shares of which are listed on the main board of the Stock Exchange;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries from time to time;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Issuance Mandate”	as defined in paragraph 2(b) of the Letter from the Board;
“Latest Practicable Date”	18 April 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information 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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“PRC”	the People’s Republic of China;
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
“Share(s)”	ordinary share(s) of HK\$1.00 each in the capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company;
“Share Option(s)”	share option(s) granted, or which may be granted, pursuant to the terms of the share option scheme of the Company adopted on 18 June 2001, to subscribe for new Shares;
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	the Hong Kong Codes on Takeovers and Mergers issued by the Securities and Futures Commission in Hong Kong.



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(Stock Code: 154)

*Executive Directors:*

Mr. E Meng (*Chairman*)

Mr. Zhang Honghai

Mr. Li Kangying

Mr. Wang Yong

Mr. Cao Wei

Mr. Ng Kong Fat, Brian

*Registered Office:*

Room 3401, West Tower

Shun Tak Centre

200 Connaught Road Central

Hong Kong

*Independent Non-Executive Directors:*

Dr. Jin Lizuo

Dr. Huan Guocang

Dr. Wang Jianping

22 April 2008

*To the Shareholders, and for information only,  
the holders of Share Options*

Dear Sir or Madam,

**PROPOSED GRANTING OF GENERAL MANDATES  
TO REPURCHASE SHARES  
AND TO ISSUE NEW SHARES OF THE COMPANY**

**1. INTRODUCTION**

The purpose of this circular is to provide the Shareholders with information in respect of the resolutions to be proposed at the Annual General Meeting for (i) the granting of the Buyback Mandate to the Directors; (ii) the granting of the Issuance Mandate to the Directors; and (iii) the extension of the Issuance Mandate by the addition thereto of the number of Shares repurchased pursuant to the Buyback Mandate.

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## LETTER FROM THE BOARD

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### 2. BUYBACK AND ISSUANCE MANDATES

At the annual general meeting of the Company held on 18 May 2007, general mandates were given to the Directors to exercise the powers of the Company to repurchase shares of the Company and to issue new shares of the Company respectively. Such mandates will lapse at the conclusion of the Annual General Meeting.

Ordinary resolutions will be proposed at the Annual General Meeting to approve the granting of new general mandates to the Directors:

- (a) to purchase Shares on the Stock Exchange of an aggregate nominal amount of up to 10% of the aggregate nominal amount of the issued share capital of the Company on the date of passing of such resolution (the “Buyback Mandate”);
- (b) to allot, issue or deal with Shares of an aggregate nominal amount of up to 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of passing of such resolution (the “Issuance Mandate”); and
- (c) to extend the Issuance Mandate by an amount representing the aggregate nominal amount of the Shares repurchased by the Company pursuant to and in accordance with the Buyback Mandate.

As at the Latest Practicable Date, the issued share capital of the Company comprised 683,781,150 Shares. Subject to the passing of the ordinary resolution numbered 9 set out in the notice of the Annual General Meeting in respect of the granting of the Issuance Mandate and on the basis that no Shares are issued or repurchased by the Company prior to the date of the Annual General Meeting, the Directors would be authorised under the Issuance Mandate to allot, issue or deal with a maximum of 136,756,230 Shares (representing 20% of the Shares in issue as at the Latest Practicable Date) during the period in which the Issuance Mandate remains in force.

The Buyback Mandate and the Issuance Mandate will continue in force until the conclusion of the next annual general meeting of the Company held after the Annual General Meeting or any earlier date as referred to in ordinary resolutions numbered 9 and 10 set out in the notice of the Annual General Meeting. With reference to the Buyback Mandate and the Issuance Mandate, the Directors wish to state that they have no immediate plan to repurchase or issue any Shares pursuant thereto.

In accordance with the requirements of the Listing Rules, the Company is required to send to the Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the granting of the Buyback Mandate. The explanatory statement as required by the Listing Rules in connection with the Buyback Mandate is set out in the Appendix I to this circular.

### 3. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages 13 to 16 of this circular. At the Annual General Meeting, resolutions will be proposed to approve, inter alia, the granting of the Buyback Mandate, the Issuance Mandate and the extension of the Issuance Mandate by the addition thereto of the number of Shares repurchased pursuant to the Buyback Mandate.

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## LETTER FROM THE BOARD

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A form of proxy for use at the Annual General Meeting is enclosed with this circular and such form of proxy is also published on the website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority at the Company's Share Registrar, Tricor Tengis Limited, at Level 25, Three Pacific Place, 1 Queen's Road East, Hong Kong, not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the Annual General Meeting if you so wish.

#### **4. PROCEDURE BY WHICH THE SHAREHOLDERS MAY DEMAND A POLL AT A GENERAL MEETING PURSUANT TO THE ARTICLES OF ASSOCIATION**

According to Article 75 of the 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 demanded by:

- (a) the chairman of such meeting; or
- (b) 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; or
- (c) 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; or
- (d) 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.

#### **5. RECOMMENDATION**

The Directors consider that the granting of the Buyback Mandate and the granting and extension of the Issuance Mandate are in the interests of the Company and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

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## LETTER FROM THE BOARD

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### 6. GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendix I (Explanatory Statement on the Buyback Mandate) and Appendix II (Details of Directors proposed to be re-elected at the Annual General Meeting) to this circular.

Yours faithfully,  
By Order of the Board  
**E Meng**  
*Chairman*



The following is an explanatory statement required by the Listing Rules to be sent to the Shareholders to enable them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the Annual General Meeting in relation to the granting of the Buyback Mandate.

### **1. REASONS FOR SHARE BUYBACK**

The Directors believe that the granting of the Buyback Mandate is in the interests of the Company and the Shareholders.

Repurchases of Shares may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share. The Directors are seeking the granting of the Buyback Mandate to give the Company the flexibility to do so if and when appropriate. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time, having regard to the circumstances then pertaining.

### **2. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 683,781,150 Shares.

Subject to the passing of the ordinary resolution numbered 10 set out in the notice of the Annual General Meeting in respect of the granting of the Buyback Mandate and on the basis that no Shares are issued or repurchased by the Company prior to the date of the Annual General Meeting, the Directors would be authorised under the Buyback Mandate to repurchase a maximum of 68,378,115 Shares (representing 10% of the Shares in issue as at the Latest Practicable Date) during the period in which the Buyback Mandate remains in force.

### **3. FUNDING OF REPURCHASES**

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association, the Articles of Association, the laws of Hong Kong and/or any other applicable laws.

The Company is empowered by its memorandum of association and the Articles of Association to repurchase Shares. The laws of Hong Kong provide that the amount of capital paid in connection with a share repurchase by a company may only be paid out of either the capital paid up on the relevant shares, or the funds of the company which would otherwise be available for dividend or distribution or the proceeds of a fresh issue of shares made for such purpose. The amount of premium payable on repurchase may only be paid out of funds of the company which would otherwise be available for dividend or distribution or out of the share premium account of the company before the shares are repurchased.

**4. IMPACT OF REPURCHASES**

There is no material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 December 2007) in the event that the Buyback Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Buyback 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.

**5. TAKEOVERS CODE**

If, on the exercise of the power to repurchase Shares pursuant to the Buyback 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 Takeovers Code. Accordingly, a Shareholder, or group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code for all the Shares not already owned by such Shareholder or group of Shareholders.

As at the Latest Practicable Date, Beijing Enterprises Holdings Limited, the Company's substantial Shareholder, was interested in 287,757,000 Shares, representing approximately 42.08% of the total issued share capital of the Company. On the basis that no Shares are issued or repurchased prior to the date of the Annual General Meeting, in the event that the Directors exercise in full the power to repurchase Shares in accordance with the terms of the relevant ordinary resolution to be proposed at the Annual General Meeting, the interests of Beijing Enterprises Holdings Limited in the issued Shares would be increased to approximately 46.76% of the total issued share capital of the Company. The Directors do not intend to exercise the Buyback Mandate to such extent as would, in the circumstances, have any consequences which will arise under the Takeovers Code.

**6. GENERAL**

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their respective associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company in the event that the granting of the Buyback Mandate is approved by the Shareholders.

The Company has not been notified by any connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the granting of the Buyback Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases of Shares pursuant to the Buyback Mandate in accordance with the Listing Rules and the laws of Hong Kong.

## 7. MARKET PRICES OF SHARES

The highest and lowest prices per Share at which the Shares have traded on the Stock Exchange during each of the previous 12 months were as follows:

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2007</b>		
April	2.77	2.44
May	4.73	2.47
June	5.26	4.01
July	4.80	4.27
August	4.65	3.25
September	4.98	4.00
October	4.34	3.87
November	4.35	3.26
December	4.05	3.33
<b>2008</b>		
January	4.05	2.80
February	3.43	2.96
March	3.40	2.40
April (up to the Latest Practicable Date)	3.60	2.85

## 8. REPURCHASES OF SHARES MADE BY THE COMPANY

No repurchase of Shares has been made by the Company during the previous six months (whether on the Stock Exchange or otherwise).

Pursuant to the Listing Rules, the details of the Directors who will retire at the Annual General Meeting according to the Articles of Association and will be proposed to be re-elected at the Annual General Meeting are provided below.

## 1. EXECUTIVE DIRECTORS

### **Mr. Li Kangying 李抗英**

**Mr. Li**, aged 51, is the president of the Company. Mr. Li graduated from North China University of Electric Power majoring in telecommunications and is a qualified engineer in the PRC. Prior to joining the Company, Mr. Li was the deputy director of Beijing New Technology Development Zone and has accumulated extensive experience in corporate management. From 1992 to 1997, Mr. Li worked as the deputy general manager of Beijing Strong Technology Co., Ltd. From 1997 to 2001, he served as the assistant to chairman of Beijing Enterprises Holdings Limited (“BEHL”, stock code: 392). Mr. Li is currently an executive director of China Information Technology Development Limited (stock code: 8178) and the chairman of Beijing Enterprises Teletron Information Technology Co., Ltd. (a subsidiary of the Company). Mr. Li joined the Group in October 2001.

No service contract for the appointment of Mr. Li has been or will be entered into. Mr. Li has not been and will not be appointed with fixed terms of service, including length of services, but subject to retirement by rotation and re-election in accordance with the Articles of Association. Mr. Li has personal interests in 304,000 Shares and Share Options for subscription of 4,500,000 Shares at an exercise price of HK\$4.03 per Share. Mr. Li is currently entitled to receive a director fee of HK\$80,000 per annum from the Company, which is determined from time to time by the Board with reference to his duties and responsibilities..

Save as disclosed above, Mr. Li is independent of any Directors, senior management, substantial or controlling shareholders of the Company, do not have any interest in Shares within the meaning of Part XV of the SFO, and do not hold any positions in the Company and hold or, in the last three years, held any other directorships or major appointments in listed public companies.

### **Mr. Wang Yong 王勇**

**Mr. Wang**, aged 54, is a vice president of the Company. Mr. Wang graduated from the Chinese Faculty of Lanzhou University. From 1969 to 1989, he worked for the Chinese People’s Liberation Army (Force 84501). From 1989 to 1993, he worked for the Office of Beijing Haidian District Government. From 1993 to 1998, he served as the secretary to the General Office of Beijing People’s Municipal Government. Since 1998, he has been the assistant to general manager of Beijing Holdings Limited and the assistant to president of BEHL. Mr. Wang has extensive experience in investment, corporate finance and management. Mr. Wang is currently the chairman of Beijing Municipal Administration & Communications Card Co., Ltd. (a jointly-controlled entity of the Company). Mr. Wang joined the Group in March 2005.

No service contract for the appointment of Mr. Wang has been or will be entered into. Mr. Wang has not been and will not be appointed with fixed terms of service, including length of services, but subject to retirement by rotation and re-election in accordance with the Articles of Association. Mr. Wang has personal interests in Share Options for subscription of 6,000,000 Shares at an exercise price of HK\$4.03 per Share. Mr. Wang is currently entitled to receive a director fee of HK\$80,000 per annum from the Company, which is determined from time to time by the Board with reference to his duties and responsibilities.

Save as disclosed above, Mr. Wang is independent of any Directors, senior management, substantial or controlling shareholders of the Company, do not have any interest in Shares within the meaning of Part XV of the SFO, and do not hold any positions in the Company and hold or, in the last three years, held any other directorships or major appointments in listed public companies.

## 2. INDEPENDENT NON-EXECUTIVE DIRECTORS

### **Dr. Huan Guocang 宦國蒼**

**Dr. Huan**, aged 58, is currently the chief executive officer of Primus Pacific Partners Limited (“Primus”). Dr. Huan holds master’s degrees in arts from the Graduate School of International Studies of the University of Denver in 1982 and Columbia University in 1983, a PhD degree from Princeton University in 1987 and John Olin post doctoral fellow from the Center for International and Strategic Studies of Harvard University in 1987. Before the set-up of Primus in 2005, Dr. Huan has been the Head of Investment Banking (Asia Pacific) of HSBC, the co-Head of Investment Banking (Asia Pacific) of Citigroup, the Managing Director and Head of China of BZW Asia Limited, a senior economist and vice president of J.P. Morgan, an assistant professor of Columbia University and an economist of Deutsche Bank. From August 2002, Dr. Huan also serves as an independent non-executive director of APT Satellite Holdings Limited (stock code: 1045). Dr. Huan joined the Company on 31 January 2008.

No service contract for the appointment of Dr. Huan has been or will be entered into. Dr. Huan has not been and will not be appointed with fixed terms of service, including length of services, but subject to retirement by rotation and re-election in accordance with the Articles of Association. Dr. Huan has personal interests in Share Options for subscription of 680,000 Shares at an exercise price of HK\$3.17 per Share. Dr. Huan is currently entitled to receive a director fee of HK\$120,000 per annum from the Company, which is determined from time to time by the Board with reference to his duties and responsibilities.

Save as disclosed above and except the relationship arising from his position as a member of each of the audit committee and remuneration committee of the Company, Dr. Huan is independent of any Directors, senior management, substantial or controlling shareholders of the Company, do not have any interest in Shares within the meaning of Part XV of the SFO, and neither of them holds any position within the Group and hold or, in the last three years, held any other directorships or major appointments in listed public companies.

**Dr. Wang Jianping 王建平**

**Dr. Wang**, aged 50, is currently a senior partner of King & Wood, a law firm in China. Dr. Wang holds a bachelor's degree in law from the Law School of Peking University in 1982, a master's degree in law from the Law School of Harvard University in 1984 and a doctorate degree in law from the Law School of Washington University in Missouri in 1991. Before being admitted as a Chinese lawyer and joining King & Wood in 1998, Dr. Wang was further admitted to the Missouri Bar in 1991 and then practiced in St. Louis, Missouri from 1991 to 1997. From 1984 to 1988, Dr. Wang worked with the Legislative Affairs Committee of the Standing Committee of National People's Congress and has participated in the legislation of the Grassland Law, Fishery Law, Bankruptcy Law, Law of Chinese-foreign Cooperative Joint Venture, and Customs Law, etc. From 2004 to 2006, Dr. Wang also served as an independent non-executive director of China Shineway Pharmaceutical Group Limited (stock code: 2877). Dr. Wang joined the Company on 31 January 2008.

No service contract for the appointment of Dr. Wang has been or will be entered into. Dr. Wang has not been and will not be appointed with fixed terms of service, including length of services, but subject to retirement by rotation and re-election in accordance with the Articles of Association. Dr. Wang has personal interests in Share Options for subscription of 680,000 Shares at an exercise price of HK\$3.17 per Share. Dr. Wang is currently entitled to receive a director fee of HK\$120,000 per annum from the Company, which is determined from time to time by the Board with reference to his duties and responsibilities.

Save as disclosed above and except the relationship arising from his position as a member of each of the audit committee and remuneration committee of the Company, Dr. Wang is independent of any Directors, senior management, substantial or controlling shareholders of the Company, do not have any interest in Shares within the meaning of Part XV of the SFO, and neither of them holds any position within the Group and hold or, in the last three years, held any other directorships or major appointments in listed public companies.

Saved as disclosed above, there is no information which is discloseable pursuant to any of the requirements of the provisions under Rule 13.51(2)(h) to (v) of the Listing Rules, and there is no other matters in relation to the afore-proposed re-elections that needed to be brought to the attention of the Stock Exchange or the Shareholders.



北京發展(香港)有限公司  
**BEIJING DEVELOPMENT (HONG KONG) LIMITED**

*(Incorporated in Hong Kong with limited liability under the Companies Ordinance)*

(Stock Code: 154)

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of the shareholders of Beijing Development (Hong Kong) Limited (the “Company”) will be held at Aberdeen Room, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Tuesday, 20 May 2008 at 10:00 a.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements and the reports of the Directors and of the auditors for the year ended 31 December 2007;
2. To declare a special final dividend;
3. To re-elect Mr. Li Kangying as Director;
4. To re-elect Mr. Wang Yong as Director;
5. To re-elect Dr. Huan Guocang as Director;
6. To re-elect Dr. Wang Jianping as Director;
7. To authorise the Board to fix Directors’ remuneration;
8. To re-appoint Messrs. Ernst & Young as the independent auditors of the Company and to authorise the Board to fix their remuneration;
9. To consider as special business and, if thought fit, pass with or without amendments the following resolution as an ordinary resolution:

**“THAT:**

- (a) subject to paragraphs (b) and (c) of this resolution, the Directors be and are hereby granted an unconditional general mandate to allot, issue and deal with additional shares of the Company and to allot, issue or grant securities convertible into such shares, or options, warrants or similar rights to subscribe for any shares of the Company or such convertible securities and to make or grant offers, agreements and options in respect thereof;

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## NOTICE OF THE ANNUAL GENERAL MEETING

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- (b) such mandate shall not extend beyond the Relevant Period save that the Directors may during the Relevant Period make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to paragraph (a) above, otherwise than pursuant to:
  - (i) a rights issue;
  - (ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company;
  - (iii) the exercise of the subscription rights under options granted under any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares of the Company or rights to acquire shares of the Company; or
  - (iv) any scrip dividend or similar arrangement providing for the allotment of shares of the Company 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 exceed 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this resolution; and

- (d) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution up to:

- (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 any applicable law or the articles of association of the Company to be held; or



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## NOTICE OF THE ANNUAL GENERAL MEETING

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- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting,

whichever is the earliest; and

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares on the register of a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlement or having regard to any restrictions and obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”;

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

“**THAT:**

- (a) subject to paragraph (b) of this resolution, the Directors be and are hereby granted an unconditional general mandate to repurchase on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), or any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, shares of the Company and that the exercise by the Directors of all powers of the Company to repurchase shares of the Company, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (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 during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this resolution; and

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## NOTICE OF THE ANNUAL GENERAL MEETING

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(c) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution up to:

- (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 any applicable law or the articles of association of the Company to be held; or
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting,

whichever is the earliest.”;

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

“**THAT** subject to the passing of ordinary resolutions numbered 9 and 10 set out in the Notice, of which this resolution forms part, the aggregate nominal amount of share capital of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to and in accordance with the mandate granted under ordinary resolution numbered 9 set out in the Notice, of which this resolution forms part, be and is hereby increased and extended by the addition thereto of the aggregate nominal amount of the shares of the Company which may be repurchased by the Company pursuant to and in accordance with the mandate granted under ordinary resolution numbered 10 set out in the Notice, of which this resolution forms part, provided that such amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this resolution.”;

By Order of the Board  
**Wong Kwok Wai, Robin**  
*Company Secretary*

Hong Kong, 22 April 2008

*Notes:*

- (i) A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote on his stead. A proxy need not be a member of the Company. If more than one proxies is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
- (ii) In order to be valid, a form of proxy together with the power of attorney or other authority, if any, under which it is signed, or notarially certified copy of such power of attorney or authority, must be deposited at the Company’s Share Registrar, Tricor Tengis Limited, at Level 25, Three Pacific Place, 1 Queen’s Road East, Hong Kong at least 48 hours before the time appointed for holding the meeting or any adjourned meeting, or poll. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjourned meeting, or poll.