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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, 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)

**PROPOSALS FOR GRANTING GENERAL MANDATES
TO ISSUE AND REPURCHASE SHARES,
ADOPTION OF NEW SHARE OPTION SCHEME,
RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an annual general meeting of Beijing Development (Hong Kong) Limited to be held at 66th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Tuesday, 31 May 2011 at 10:00 a.m. is set out on pages 24 to 28 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.hkexnews.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.

14 April 2011

CONTENTS

	<i>Page</i>
Definitions	1
 Letter from the Board	
1. Introduction	4
2. Buyback and Issuance Mandates	5
3. Adoption of New Share Option Scheme	6
4. Re-Election of Directors	7
5. Annual General Meeting and Proxy Arrangement	7
6. Recommendation	8
7. General Information	8
 Appendix I – Explanatory Statement on the Buyback Mandate	 9
 Appendix II – Summary of the Principal Terms of the New Share Option Scheme	 12
 Appendix III – Details of Directors proposed to be re-elected at the Annual General Meeting	 21
 Notice of the Annual General Meeting	 24

DEFINITIONS

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

“2001 Option(s)”	share option(s) granted, or which may be granted, pursuant to the terms of 2001 Share Option Scheme, to subscribe for new Shares;
“2001 Share Option Scheme”	the share option scheme adopted by the Company on 18 June 2001;
“Annual General Meeting”	an annual general meeting of the Company to be held at 66th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Tuesday, 31 May 2011 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 24 to 28 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;
“Cause”	in relation to a Grantee, having committed any act of bankruptcy or having become insolvent or having made any arrangements or composition with his creditors generally;
“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;
“Eligible Participant”	any: (a) Employee; (b) non-executive director and any independent non-executive director or officer of any member of the Group; (c) consultant of any member of the Group;

DEFINITIONS

“Employee”	any person employed by the Company or a subsidiary of the Company and any person who is an officer or director (whether executive or non-executive) of the Company or any subsidiary of the Company. A Grantee shall not cease to be an Employee in the case of (a) any leave of absence approved by the Company or the relevant subsidiary; or (b) transfers between the Company and any subsidiary or any successor;
“Grantee”	any Eligible Participant who accepts an offer of the grant of an Option in accordance with the terms of the New Share Option Scheme or (where the context so requires) the legal personal representative(s) of such Eligible Participant;
“Group”	the Company and its subsidiaries from time to time;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Issuance Mandate”	as defined in paragraph 2(b) of the Letter from the Board;
“Latest Practicable Date”	8 April 2011, 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;
“Mandate Limit”	the Initial Mandate Limit or the Refreshed Mandate Limit (as the case may be);
“Misconduct”	in relation to a Grantee, his being guilty of serious misconduct, or having been convicted of any criminal offence involving his integrity or honesty;
“New Share Option Scheme”	the new share option scheme (described in this circular) in its present or any amended form;
“Option”	an option to subscribe for Share(s) granted pursuant to the New Share Option Scheme;
“PRC”	the People’s Republic of China;
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;

DEFINITIONS

“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;
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“Takeovers Code”	the Hong Kong Codes on Takeovers and Mergers issued by the Securities and Futures Commission in Hong Kong.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. E Meng (*Chairman*)
Mr. Zhang Honghai
Mr. Wang Yong
Mr. Yan Qing
Ms. Sha Ning
Mr. Ng Kong Fat, Brian

Registered Office:

66th Floor
Central Plaza
18 Harbour Road
Wanchai
Hong Kong

Independent Non-Executive Directors:

Dr. Jin Lizuo
Dr. Huan Guocang
Dr. Wang Jianping

14 April 2011

*To the Shareholders, and for information only,
the holders of 2001 Options*

Dear Sir or Madam,

**PROPOSALS FOR GRANTING GENERAL MANDATES
TO ISSUE AND REPURCHASE SHARES,
ADOPTION OF NEW SHARE OPTION SCHEME
RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

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) re-election of retiring Directors; (ii) the granting of the Buyback Mandate to the Directors; (iii) the granting of the Issuance Mandate to the Directors; (iv) the extension of the Issuance Mandate by the addition thereto of the number of Shares repurchased pursuant to the Buyback Mandate; and (v) the adoption of the New Share Option Scheme.

LETTER FROM THE BOARD

2. BUYBACK AND ISSUANCE MANDATES

At the annual general meeting of the Company held on 29 June 2010, 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;
- (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; 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 677,460,150 Shares. Subject to the passing of the ordinary resolution numbered 8 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 135,492,030 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 8 and 9 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.

LETTER FROM THE BOARD

3. ADOPTION OF NEW SHARE OPTION SCHEME

The existing share option scheme of the Company (i.e. the 2001 Share Option Scheme) was adopted on 18 June 2001 and will expire on 17 June 2011. In order to enable the Company to continue to grant options to selected participants as incentives or rewards for their contributions to the Group, the Board proposes to adopt a new share option scheme (i.e. the New Share Option Scheme), and terminate the 2001 Share Option Scheme once the New Share Option Scheme is adopted.

Similar to the 2001 Share Option Scheme, the New Share Option Scheme does not specify a minimum period for which an Option must be held nor a performance target which must be achieved before an Option can be exercised. However, the Directors may, at their discretion, fix any minimum period for which an Option must be held, any performance targets that must be achieved and/or any other conditions (including the subscription price) that must be fulfilled before an Option can be exercised. With this discretion, the Board may continue to provide incentives to the Eligible Participants to use their best endeavours in assisting the growth and the development of the Group and continue to attract human resources that are valuable to the growth and the development of the Group as a whole.

As at the Latest Practicable Date, 149,040,000 options had been granted under the 2001 Share Option Scheme, of which 60,340,000 were outstanding and will remain valid and exercisable subject to the terms of the 2001 Share Option Scheme after it has been terminated. At present and up to the date on which the New Share Option Scheme comes into effect, the Company has no intention to grant further options under the 2001 Share Option Scheme.

At the forthcoming Annual General Meeting, an ordinary resolution will be proposed for the Company to approve the adoption of the New Share Option Scheme and terminate the 2001 Share Option Scheme. With respect to the operation of the New Share Option Scheme, the Company will, where applicable, comply with the relevant requirements under Chapter 17 of the Listing Rules.

As at the Latest Practicable Date, the issued share capital of the Company comprised of 677,460,150 Shares. Assuming that the issued share capital of the Company will remain unchanged from the Latest Practicable Date up to the date of passing the Shareholders' resolution to adopt the New Share Option Scheme, the maximum number of Shares which may be issued upon exercise of all options to be granted under the New Share Option Scheme and any other schemes of the Company (including the 2001 Share Option Scheme) in aggregate will be 67,746,015 Shares, representing 10% of the Shares in issue as at the date of adoption of the New Share Option Scheme.

The Directors consider that it is not appropriate to disclose the value of all Options that can be granted pursuant to the New Share Option Scheme as if they had been granted on the Latest Practicable Date as a number of variables which are crucial for the calculation of such value have not been determined at this stage. Such variables include but are not limited to the exercise price, exercise period, lock-up period (if any). The Directors believe that any calculation based on a number of speculative assumptions would not be meaningful and would be misleading to Shareholders.

LETTER FROM THE BOARD

None of the Directors is a trustee of the New Share Option Scheme or has a direct or indirect interest in the trustee.

A summary of the principal terms of the New Share Option Scheme which is proposed to be approved and adopted by the Company at the Annual General Meeting is set out in the Appendix II to this document on pages 12 to 20. A copy of the proposed New Share Option Scheme will be available for inspection at the Company's registered office at Hong Kong at 66th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong during normal business hours from the date hereof up to and including the date of the Annual General Meeting.

Application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of the Options granted under the New Share Option Scheme.

4. RE-ELECTION OF DIRECTORS

Pursuant to Article 95 and 104(a) of the Articles of Association, Mr. Wang Yong, Mr. Yan Qing and Dr. Wang Jianping shall retire by rotation at the forthcoming Annual General Meeting, and being eligible, offered themselves for re-election at the Annual General Meeting; Ms. Sha Ning shall retire at the first general meeting after her appointment, and being eligible, offered herself for re-election at the Annual General Meeting.

Details of the above-mentioned Directors proposed to be re-elected at the Annual General Meeting are set out in Appendix III to this circular.

5. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages 24 to 28 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, the extension of the Issuance Mandate by the addition thereto of the number of Shares repurchased pursuant to the Buyback Mandate and the adoption of the New Share Option Scheme.

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.hkexnews.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.

LETTER FROM THE BOARD

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the shareholders at a general meeting must be taken by poll and the Company will then announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

To the best of the Director's knowledge, information and belief, having made all reasonable enquiries, none of the Shareholders is required to abstain from voting at the Annual General Meeting pursuant to the Listing Rules.

6. RECOMMENDATION

The Directors consider that the granting of the Buyback Mandate, the granting and extension of the Issuance Mandate and the adoption of the New Share Option Scheme 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.

7. GENERAL INFORMATION AND RESPONSIBILITY STATEMENT

This document, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this document is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters, the omission of which would make any statement herein or this document misleading.

Your attention is drawn to the additional information set out in the Appendix I (Explanatory Statement on the Buyback Mandate), Appendix II (Summary of the Principal Terms of New Share Option Scheme) and Appendix III (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 677,460,150 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 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 67,746,015 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 2010) in the event that the Buyback Mandate was to be carried out in full at any time during the proposed repurchase period.

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, Idata Finance Trading Limited, the Company's substantial Shareholder, was interested in 275,675,000 Shares, representing approximately 40.69% 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 Idata Finance Trading Limited in the issued Shares would be increased to approximately 45.21% of the total issued share capital of the Company, and it would be obliged to make a mandatory offer under Rule 26 of the Takeovers Code as a result of such increase. The Directors do not intend to exercise the Buyback Mandate to such extent as would, in the circumstances, have any consequences which will require any substantial Shareholders to make a mandatory offer 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 twelve months were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2010		
April	2.16	1.80
May	1.94	1.18
June	1.70	1.50
July	1.63	1.45
August	1.74	1.51
September	1.62	1.44
October	1.75	1.46
November	1.61	1.38
December	1.45	1.34
2011		
January	1.56	1.39
February	1.47	1.30
March	1.36	1.20
April (up to the Latest Practicable Date)	1.32	1.27

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).

The following is a summary of the principal terms of the New Share Option Scheme which is proposed to be approved at the Annual General Meeting:

1. PURPOSE

The purpose of the New Share Option Scheme is to enable the Company to grant options to selected participants as incentives or rewards for their contributions to the Group.

2. WHO MAY JOIN

On and subject to the terms of the New Share Option Scheme and the requirements of the Listing Rules, the Board may offer to grant an Option to any Eligible Participant as it may at its absolute discretion select.

3. ADMINISTRATION

The New Share Option Scheme shall be subject to the administration of the Board which shall, in its discretion and based on such factors as it shall consider relevant:

- (a) select Eligible Participants to whom Options may be granted hereunder;
- (b) determine, subject to the requirements of the Listing Rules and the law, the time of the grant of Options;
- (c) determine the number of Options;
- (d) approve forms of option agreements setting out the terms on which particular Options are granted;
- (e) determine the terms and conditions of each Option (including, but not limited to, performance, operating and financial targets and other criteria, if any, to be satisfied before the Option can be exercised);
- (f) construe and interpret the terms of the New Share Option Scheme and Options granted pursuant to the New Share Option Scheme;
- (g) prescribe, amend and rescind rules and regulations relating to the New Share Option Scheme, including rules and regulations relating to sub-schemes established for the purpose of qualifying for preferred treatment under foreign laws and for benefits intended solely for any particular type of Eligible Participants provided that administration of any such sub-schemes shall follow the requirements of the Listing Rules; and
- (h) subject to other provisions of the New Share Option Scheme, vary the terms and conditions of any option agreement (provided that such variation is not inconsistent with the terms of the Listing Rules and the New Share Option Scheme).

4. GRANT OF OPTION

On and subject to the terms of the New Share Option Scheme and the Listing Rules, the Board shall be entitled at any time within 10 years commencing on the date the New Share Option Scheme is adopted by the Company to make an offer for the grant of Option to such Eligible Participants as the Board may in its absolute discretion select.

5. ACCEPTANCE OF OFFER FOR THE GRANT OF OPTIONS

An offer of the grant of an Option shall have been accepted when the duplicate letter comprising acceptance of the Option duly signed by the Grantee together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company. Such remittance shall in no circumstances be refundable. If such remittance is not enclosed, acceptance of an offer shall create a promise by the relevant Grantee to pay to the Company HK\$1.00 on demand.

6. SUBSCRIPTION PRICE

The subscription price payable on exercise of an Option shall be such price as the Board may in its absolute discretion determine at the time of its grant (and shall be stated in the letter containing the offer of the grant of the Option), and may be fixed at different prices for different periods during which the Option is to be exercised, provided that it shall not be less than whichever is the highest of (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant; (b) the average of the closing prices of the Shares on the Stock Exchange's daily quotation sheets for the five (5) business days immediately preceding the date of grant; and (c) the nominal value of a Shares.

7. OPTION PERIOD

The period within which the Shares must be taken up under an Option shall be determined by the Board in its absolute discretion at the time of grant and may be varied by the Board in accordance with the terms of the New Share Option Scheme, but shall not under any circumstances exceed 10 years from the date of grant of the relevant Option.

8. RIGHTS ARE PERSONAL TO GRANTEE

An Option shall be personal to the Grantee and shall not be assignable or transferable.

9. RANKING OF SHARES

The Shares to be allotted upon the exercise of an Option shall be subject to all the provisions of the Articles of Association of the Company from time to time in force and shall rank pari passu in all respects with the existing fully paid Shares in issue on the date of allotment or, if that date falls on a day when the register of members of the Company is closed, the first day of the reopening of the register of members and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the allotment (as applicable).

10. RIGHTS ON RETIREMENT, DEATH OR TOTAL PERMANENT PHYSICAL OR MENTAL DISABILITY

If a Grantee cease to be an Eligible Participant by reason of his death, total permanent physical or mental disablement or (in the case of an Eligible Participant being an Employee) retirement under the normal retirement conditions then prevailing in the Company or (in the case of an Eligible Participant being a consultant of a member of the Group) the expiry of the term of the consultancy contract with the Group in accordance with the terms of such contract, he or his personal representative (as the case may be) may exercise the Option within such period of time as is specified in the option agreement (but in no event later than the expiration of the term of such Option as set forth in the option agreement). In the absence of a specified time in the option agreement, the Option shall remain exercisable for 12 months (or such longer period as the Board shall decide, but in no event later than the expiration of the term of such Option as set forth in the option agreement) after the relevant Grantee cease to be an Eligible Grantee as above stated. In the case of a Grantee ceasing to be an Eligible Participant by reason of death or total permanent physical or mental disability, the Option may be exercised within time specified above by the personal representatives of the Grantee.

If the Option is not so exercised within the time specified above, the Option shall lapse.

11. TERMINATION FOR MISCONDUCT OR CAUSE

If a Grantee ceases to be an Eligible Participant for Misconduct or Cause, the Option shall immediately lapse.

12. RIGHTS ON CESSATION FOR OTHER REASONS

If a Grantee ceases to be an Eligible Participant in circumstances other than those described in paragraphs 10, 11 or 13 then, unless otherwise provided in the option agreement, the Grantee may exercise his Option within 3 months of such cessation (or such longer period as the Board shall decide, but in no event later than the expiration of the term of such Option as set forth in the option agreement) following which the Option shall lapse.

13. RIGHTS ON TERMINATION DUE TO THE SEPARATE LISTING OR SALE

If the Board considers that, due to the separate listing or sale of a member of the Group he is serving, or merger, reorganisation or consolidation of a member of the Group he is serving, a Grantee should cease to be treated as an Eligible Participant (and paragraphs 14 to 16 does not apply), the Board may at its sole discretion (a) arrange for substitute options or share purchase rights of no less than equivalent fair value, in the purchasing, surviving or newly-listed company; (b) provide cash compensation equivalent to their fair value; (c) waive any conditions as to vesting; or (d) permit the continuation of the Option according to its original terms. If the Board does not make any of the arrangements specified in (a) to (d) above, the Option shall lapse.

14. RIGHTS ON GENERAL OFFER

If a general offer by way of takeover is made to all the holders of Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror), and such offer becomes or is declared unconditional, the Option will immediately vest or otherwise becomes immediately exercisable and the Grantee shall be entitled to exercise the Option (to the extent not already exercised, whether or not the Option has become exercisable or not) at any time until the earlier of the expiry of the term of the Option as set forth in the option agreement or 14 days after the date on which the offer becomes or is declared unconditional or such longer period as the Board may determine following which the Option shall lapse.

15. RIGHTS ON COMPROMISE OR ARRANGEMENT

If a compromise or arrangement between the Company and its members or creditors is proposed for the purposes of the amalgamation of the Company with any other company or companies (including a takeover offer by way of a scheme of arrangement), the Company shall give notice to the Grantee on the same date as it despatches the notice to each member or creditor of the Company summoning the meeting to consider such compromise, arrangement or scheme, and thereupon the Grantee may, until the expiry of the period commencing on such date and ending on the earlier of the date two (2) calendar months thereafter or the date on which such compromise, scheme or arrangement is sanctioned by the court but in any case no later than the expiration of the term of such Option as set forth in the option agreement, exercise any of his Options (to the extent not already exercised whether the Options have become exercisable or not) whether in full or in part, but the exercise of an Option as aforesaid shall be conditional upon such compromise, scheme or arrangement being sanctioned by the court and becoming effective, and upon such compromise, scheme or arrangement becoming effective, all Options shall lapse except insofar as previously exercised under the New Share Option Scheme. The Company may require the Grantee to transfer or otherwise deal with the Shares issued as a result of the exercise of Options in these circumstances so as to place the Grantee in the same position, as nearly as possible, as would have been the case had such Shares been subject to such compromise or arrangement. If the Option is not exercised within the time specified, the Option shall lapse.

16. RIGHTS ON VOLUNTARY WINDING-UP OF THE COMPANY

In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Grantees (together with a notice of the existence of the provisions of this Clause) and thereupon, each Grantee shall be entitled to exercise all or any of his Options (to the extent not already exercised irrespective of whether the Option have become exercisable or not) at any time not later than two (2) Business Days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid. If the Option is not exercised within the time specified, the Option shall lapse.

17. LAPSE OF OPTION

Subject to the discretion of the Board to extend the period within which the Shares must be taken up as referred to in paragraphs 3, 10, 12, 13 and 21, and without prejudice to the authority of the Board to provide for additional situations where an Option shall lapse in any option agreement, an Option shall lapse and not be exercisable (to the extent not already exercised) on the earliest of (a) the expiry of the period within in which the Shares must be taken up; (b) the expiry of any of the periods referred to in paragraphs 10 to 16; and (c) the date on which the Board certifies that for the reason of a breach of paragraph 8, the Option should be cancelled.

18. CANCELLATION OF OPTION

Options granted but not exercised or lapsed in accordance with the terms of the New Share Option Scheme may be cancelled by the Company with the approval of the Grantee. Where the Company cancels Options and issues new ones to the same Grantee, the issue of such new Options may only be made under the New Share Option Scheme with available unissued Options (excluding the cancelled Options) within the limits set out in paragraphs 19 (a) to (d).

19. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION**(a) Overriding Limit**

The maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any other schemes of the Company (including the 2001 Share Option Scheme) must not exceed 30% of the Shares in issue from time to time. No options may be granted under the New Share Option Scheme or any other schemes of the Company if this will result in this limit being exceeded.

(b) Mandate Limit

In addition to the limit set out in paragraph 19(a) and prior to the approval of a Refreshed Mandate Limit, the total number of Shares which may be issued upon exercise of all options to be granted under the New Share Option Scheme and any other schemes of the Company (excluding, for this purpose, options which have lapsed in accordance with the terms of the New Share Option Scheme and any other scheme (including the 2001 Share Option Scheme) must not, in aggregate, exceed 10% of the Shares in issue as at the date of adoption of the New Share Option Scheme, being 67,746,015 Shares (the “**Initial Mandate Limit**”).

(c) Refreshing of Mandate Limit

The Company may by ordinary resolution of the Shareholders refresh the Mandate Limit. However, the total number of Shares which may be issued upon exercise of all options to be granted under all the schemes of the Company under the limit as refreshed (the “**Refreshed Mandate Limit**”) must not exceed 10% of the Shares in issue as at the date of approval of the limit. Options previously granted under the schemes (including those outstanding, cancelled, exercised or lapsed in accordance with the scheme or exercised options) will not be counted for the purpose of calculating the limit as refreshed.

(d) Limit for each Grantee

Unless approved by the Shareholders of the Company in general meeting with the relevant Grantee and his associates abstaining from voting, the total number of Shares issued and to be issued upon exercise of Options (whether exercised or outstanding) granted to an Grantee shall not exceed in any 12-month period 1% of the Shares in issue. If the Shareholders of the Company approve in general meeting the grant of Options to an Grantee in excess of such limit, the date of the board meeting for proposing the further grant (which is made subject to such approvals set out above) shall be the commencement date such further grants.

(e) Grant to substantial shareholder and independent non-executive director

Insofar and for so long as the Listing Rules so require, no Option may be granted to any substantial shareholder or an independent non-executive Director, or any of their respective associates or any person whose associate is a substantial shareholder or an independent non-executive Director, which would result in the Shares issued and to be issued upon exercise of all Options already granted or to be granted (including options exercised, cancelled and outstanding) to such person under the New Share Option Scheme and any other scheme(s) of the Company (including the 2001 Share Option Scheme) in the 12-month period up to and including the date of the offer in respect of such further grant:

- (i) representing in aggregate over 0.1% of the issued share capital of the Company in issue; and
- (ii) having an aggregate value, based on the closing price of the Shares at the date of the offer (which is made subject to such approvals set out in this sub-paragraph) in respect of such further grant, in excess of HK\$5 million,

unless such further grant is approved by the Shareholders in general meeting. At such general meeting, the grant of Options to the substantial shareholder or independent non-executive Director, or any of their respective associates or any person whose associate is a substantial shareholder or an independent non-executive Director shall, for so long and insofar as the Listing Rules so require, be approved by the Shareholders of the Company by way of poll with all connected

persons of the Company abstaining from voting, except that any connected person may vote against such resolution provided that he has informed the Company of his intention to do so and such intention has been stated in the relevant circular to the Shareholders.

The date of the board meeting for proposing the further grant (which is made subject to such approvals set out in this sub-paragraph) should be taken as the commencement date for such grants.

In addition, for so long and insofar as the Listing Rules so require, any variation in the terms of Option granted to a Grantee who is a substantial shareholder or an independent non-executive Director, or any of their respective associates, must be approved by the Shareholders in general meeting with all connected persons of the Company interested in the relevant Option abstaining from voting.

(f) Adjustment to maximum number

The maximum number of Shares referred to in this paragraph 19 will be adjusted in such manner as the auditors or an independent financial adviser shall certify to be appropriate in the event of any alteration in the capital structure of the Company, whether by way of capitalisation of profits or reserves (other than pursuant to a scrip dividend scheme), rights issue, consolidation, sub-division or reduction of the share capital of the Company or otherwise howsoever.

20. EFFECTS OF REORGANISATION OF CAPITAL STRUCTURE

In the event of any alteration in the capital structure of the Company while any Option may become or remains exercisable, whether by way of a capitalisation of profits or reserves (other than pursuant to a scrip dividend scheme), rights issue, consolidation or subdivision, reduction or similar reorganisation of the share capital of the Company, such corresponding alterations (if any) shall be made to:

- (a) the number or nominal amount of Shares subject to the Option so far as unexercised; and/or
- (b) the subscription price; and/or
- (c) the method of exercise of the Option; and/or
- (d) the maximum number of Shares referred to in paragraph 19,

as the auditors or an independent financial adviser shall certify in writing to the Board either generally or as regards any particular Grantee to be in their opinion fair and reasonable (except in the case of a capitalisation issue where no such certification shall be required), provided that:

- (i) any such alterations shall be made on the basis that the aggregate subscription price payable by a Grantee on the full exercise of any Option shall remain as nearly as possible the same (but shall not be greater than) it was before such event;
- (ii) no such alterations shall be made the effect of which would be to enable a Share to be issued at less than its nominal value; and
- (iii) no such alterations shall be made the effect of which would be to increase the proportion of the issued share capital of the Company for which any Grantee is entitled to subscribe pursuant to the Options held by him.

For the avoidance of doubt only, the issue of securities as consideration in a transaction shall not be regarded as a circumstance requiring any such alterations.

If there has been any alteration in the capital structure of the Company as referred to above, the Company shall inform each Grantee of such alteration and inform the Grantee of the adjustment (if any) to be made in accordance with the certificate of the auditors or an independent financial adviser obtained by the Company for such purpose. In giving such certificate, the auditors or the independent financial adviser shall be deemed to be acting as experts and not as arbitrators and their certification shall, in the absence of manifest error, be final and binding on the Company and the Grantee.

21. ALTERATION TO THE NEW SHARE OPTION SCHEME

The New Share Option Scheme may be altered in any respect by resolution of the Board except that the provisions of the New Share Option Scheme as to (a) the definitions of “affiliate”, “Eligible Participant”, “Employee”, “Grantee”, “Option Period”; and (b) the provisions of paragraphs 4, 5, 6, 9, 17, 18, 19, 20, and this paragraph 21, shall not be altered to the advantage of Grantees or proposed Grantees except with the prior sanction of a resolution of the Company in general meeting, provided that no such alteration shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the Grantees as would be required of the Shareholders of the Company under the Articles of Association of the Company for a variation of the rights attached to the Shares.

Any alterations to the terms and conditions of the New Share Option Scheme which are of a material nature, and any change to the terms of the Options granted, shall be approved by the Shareholders of the Company, except where the alterations take effect automatically under the existing terms of the New Share Option Scheme.

The amended terms of the New Share Option Scheme shall comply with the relevant requirements of Chapter 17 of the Listing Rules.

Any change to the authority of the Board to alter the terms of the New Share Option Scheme shall be approved by the Shareholders of the Company.

Subject to the Listing Rules and the terms of the New Share Option Scheme, the Board may, at any time and in its absolute discretion, remove, waive or vary the conditions, restrictions or limitations imposed in an option agreement on compassionate or any other grounds.

22. TERMINATION OF THE NEW SHARE OPTION SCHEME

The Company by resolution in general meeting or the Board may at any time terminate the operation of the New Share Option Scheme and in such event no further Options will be offered after the New Share Option Scheme is terminated but in all other respects the provisions of the New Share Option Scheme shall remain in full force and effect. All Options granted prior to such termination and not then exercised shall remain valid.

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. Wang Yong 王勇先生**

Mr. Wang Yong, aged 57, is the president of the Company and also serves as the chairman of Beijing Municipal Administration & Communications Card Co., Ltd. (a jointly-controlled entity of the Company). Mr. Wang graduated from the Chinese Faculty of Lanzhou University. From 1969 to 1989, Mr. Wang worked for the Chinese People's Liberation Army (Force 84501). From 1989 to 1993, Mr. Wang worked for the Office of Beijing Haidian District Government. From 1993 to 1998, Mr. Wang served as the secretary to the General Office of Beijing People's Municipal Government. Since 1998, Mr. Wang has been the assistant to general manager of Beijing Holdings Limited and the assistant to president of Beijing Enterprises Holdings Limited ("BEHL" stock code: 392). Mr. Wang has extensive experience in investment, corporate finance and management. 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 2001 Options for subscription of 6,000,000 and 1,000,000 Shares at an exercise price of HK\$4.03 and HK\$2.07 per Share, respectively. Mr. Wang is currently entitled to receive a director fee of HK\$100,000 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.

Mr. Yan Qing 燕清先生

Mr. Yan Qing, aged 50, is a vice president of the Company and also serves as the office manager of Beijing Enterprises Group Company Limited. Mr. Yan graduated from Renmin University of China in 1985 with a bachelor degree in Business, and obtained a master degree from Graduate School of Research Institute of the Ministry of Finance in 2000. Mr. Yan has extensive experience in finance and management. Mr. Yan joined the Group in February 2005.

No service contract for the appointment of Mr. Yan has been or will be entered into. Mr. Yan 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. Yan has personal interests in (i) 6,000 Shares; and (ii) 2001 Options for subscription of 3,200,000 and 1,500,000 Shares at exercise price of HK\$4.03 and HK\$2.07 per Share, respectively. Mr. Yan is currently entitled to receive a director fee of HK\$100,000 per annum from the Company, which is determined from time to time by the Board with reference to his duties and responsibilities. From March 2006 to June 2008, Mr. Yan served as an executive director of China Information Technology Development Limited (stock code: 8178).

Save as disclosed above, Mr. Yan 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.

Ms. Sha Ning 沙寧女士

Ms. Sha Ning, aged 40, is a vice president of the Company and also serves as the manager of audit department of BEHL. Ms. Sha graduated from the Business Faculty of Heilongjiang University in 1992, majored in Business and Economic Studies, and holds a second degree in Foreign Trade Accounting in Beijing School of Business and Capital University of Economics and Business, an EMBA degree from The Hong Kong University of Science and Technology and the title of PRC Senior Accountant. Ms. Sha joined BEHL in 2001 and has extensive working experience in financial management. From 2001 to 2008, Ms. Sha has been assigned as the financial controller of certain subsidiaries of BEHL. Ms. Sha joined the Group in March 2009.

No service contract for the appointment of Ms. Sha has been or will be entered into. Ms. Sha 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. Ms. Sha is currently entitled to receive a director fee of HK\$100,000 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, Ms. Sha 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 DIRECTOR**Dr. Wang Jianping 王建平博士**

Dr. Wang Jianping, aged 53, is currently a senior partner of King & Wood, a law firm in China and a full-time member of the IPO Review Committee for the Growth Enterprise Board of China Securities Regulatory Commission. Dr. Wang holds a bachelor degree in law from the Law School of Peking University in 1982, a master 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. Dr. Wang joined the Group in 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 2001 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 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.

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.

NOTICE OF THE ANNUAL GENERAL MEETING



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 66th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Tuesday, 31 May 2011 at 10:00 a.m. for the following purposes:

1. To receive and consider the audited financial statements, the report of the Directors and the independent auditors’ report for the year ended 31 December 2010;
2. To re-elect Mr. Wang Yong as Director;
3. To re-elect Mr. Yan Qing as Director;
4. To re-elect Ms. Sha Ning as Director;
5. To re-elect Dr. Wang Jianping as Director;
6. To authorise the Board to fix Directors’ remuneration;
7. To re-appoint Messrs. Ernst & Young as the independent auditors of the Company and to authorise the Board to fix their remuneration;
8. 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;

NOTICE OF THE ANNUAL GENERAL MEETING

- (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
- (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

NOTICE OF THE ANNUAL GENERAL MEETING

“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).”;

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 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
- (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.”;

NOTICE OF THE ANNUAL GENERAL MEETING

10. 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 8 and 9 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 8 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 9 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.”;

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

“**THAT**

- (a) conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting approval of the listing of and permission to deal in the Shares which may fall to be issued pursuant to the exercise of any options granted under the New Share Option Scheme (a copy of which has been presented to this meeting marked “A” and initialled by the chairman of the meeting for identification purpose), the New Share Option Scheme be and is hereby approved and adopted; and that the Directors be and are hereby authorised to grant options and allot, issue and deal with the Shares pursuant to the exercise of any options granted under the New Share Option Scheme; and that the Directors be and are hereby authorised to do all such acts and to enter into all such transactions and arrangements as may be necessary or expedient in order to give effect to the New Share Option Scheme; and
- (b) conditional upon the New Share Option Scheme becoming unconditional and effective, the 2001 Share Option Scheme be terminated with effect from the date on which the New Share Options Scheme shall become unconditional and effective.”.

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

Hong Kong, 14 April 2011

NOTICE OF THE ANNUAL GENERAL MEETING

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. 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.