

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in MP Logistics International Holdings Limited (the "Company"), you should at once hand this circular and accompanying form of proxy to the purchaser or other transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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## **MP Logistics International Holdings Limited**

**MP 物流國際控股有限公司\***

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

**(Stock Code: 8239)**

**(1) PROPOSED REFRESHMENT OF GENERAL MANDATE  
TO ALLOT AND ISSUE NEW SHARES  
AND REPURCHASE SHARES,  
(2) PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT  
AND  
(3) PROPOSED CHANGE OF AUDITORS**

**Independent financial adviser to the Independent Board Committee  
and Independent Shareholders  
of MP Logistics International Holdings Limited  
Nuada Limited**

A letter of advice from Nuada Limited to the independent board committee and independent shareholders of the Company is set out on pages 12 to 17 of this circular. The recommendation of the independent board committee to the independent shareholders of the Company is set out on page 11 of this circular.

A notice convening the EGM to be held at 14/F., Printing House, 6 Duddell Street, Central, Hong Kong on Monday, 7 May 2007 at 11:30 a.m. is set out on pages 22 to 26 of this circular.

A form of proxy for the EGM is enclosed with this circular. Whether or not you are able to attend and vote at the EGM, you are requested to complete the form of proxy and return the same to the Company's Hong Kong branch share registrar, Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for the holding of EGM. Completion and return of the form of proxy will not preclude you from attending and voting at EGM or any adjournment thereof if you so wish.

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

## CHARACTERISTICS OF GEM

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

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

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. GEM-listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website at [www.hkgem.com](http://www.hkgem.com) in order to obtain up-to-date information on GEM-listed issuers.

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## DEFINITIONS

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

“AGM”	the annual general meeting of the Company held on 28 July 2006
“Articles of Association”	the articles of association of the Company, and “Article” shall mean an article of the Articles of Association
“associate(s)”	has the meaning ascribed thereto in the GEM Listing Rules
“Auditors”	the auditors of the Group from time to time
“Baker Tilly”	Baker Tilly Hong Kong Limited being the existing auditors of the Group
“Board”	the board of Directors from time to time
“Change of Auditors”	the resignation of Baker Tilly as auditors of the Group and the proposed appointment of Grant Thornton as auditors of the Company following the resignation of Baker Tilly upon the approval of the Shareholders by an ordinary resolution at the EGM to hold office until the conclusion of the next annual general meeting of the Company
“Company”	MP Logistics International Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM
“Director(s)”	the director(s) of the Company from time to time
“EGM”	the extraordinary general meeting of the Company to be held at 14/F., Printing House, 6 Duddell Street, Central, Hong Kong on Monday, 7 May 2007 at 11:30 a.m., a notice of which is set out on pages 22 to 26 of this circular
“Existing General Mandate”	the general mandate granted at the AGM to the Directors to allot, issue and deal with 60,000,000 new Shares, being 20% of the issued share capital of the Company as at 28 July 2006
“Existing Repurchase Mandate”	the general mandate granted to the Directors to repurchase 30,000,000 Shares, being 10% of the issued share capital of the Company as at 28 July 2006

## DEFINITIONS

“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Grant Thornton”	Messrs. Grant Thornton, being the proposed new Auditors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	a committee of the Board comprising the three independent non-executive Directors of the Company, taking into account the recommendations from Nuada, constituted to advise the Independent Shareholders as to whether the terms of the proposed grant of the New General Mandate are fair and reasonable so far as the Independent Shareholders are concerned
“Independent Shareholders”	Shareholders other than Tolmen Star and its associates
“Latest Practicable Date”	13 April 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“New General Mandate”	the general mandate proposed to be granted to the Directors at the EGM to allot, issue and deal with new Shares not exceeding 20% of the issued share capital of the Company on the date of the passing of the relevant ordinary resolution by the Shareholders
“New Repurchase Mandate”	the general mandate proposed to be granted to the Directors at the EGM to exercise the powers of the Company to repurchase Shares up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company on the date of the passing of the relevant ordinary resolution by the Shareholders
“Nuada”	Nuada Limited, a licensed corporation permitted to carry on business in type 6 (advising on corporate finance) regulated activity as defined under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the proposed grant of New General Mandate
“Options”	options granted by the Company to Participants to subscribe for Shares pursuant to the Share Option Scheme

## DEFINITIONS

“Participant(s)”	(i) employees of the Company (any full-time or part-time) or any of its subsidiaries; (ii) directors (any executive directors or non-executive directors or independent non-executive directors) of the Company or any of its subsidiaries; (iii) any adviser, consultant, supplier, distributor, contractor, agent, business partner, promoter, service provider or customer of the Company or any of its subsidiaries
“Scheme Mandate Limit”	the 10% limit on grant of Options by the Company under the Share Option Scheme and any other share option scheme(s) of the Company
“SFO”	the Hong Kong Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Shares from time to time
“Share Option Scheme”	the share option scheme conditionally adopted by the Company on 26 October 2002
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription by Tolmen Star for, and the allotment and issue by the Company of, the Subscription Shares under the terms and subject to the conditions of the subscription agreement dated 22 September 2006
“Subscription Shares”	1,200,000,000 Shares for which Tolmen Star has subscribed and the Company has allotted and issued under the Subscription in accordance with the terms and subject to the conditions of the subscription agreement
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Tolmen Star”	Tolmen Star Limited, an investment holding company incorporated in the British Virgin Islands with limited liability and is wholly and beneficially owned by Mr. Guo Xu
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.



**MP Logistics International Holdings Limited**

**MP 物流國際控股有限公司\***

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

**(Stock Code: 8239)**

*Executive Directors:*

Mr. Yeung Leung Kong (*Chairman*)

Mr. Guo Xu

Mr. Darrell Bryce Sham

*Independent non-executive Directors:*

Mr. Wong Ming, Kerry

Mr. Hsu Shiu Foo, William

Mr. Pang Hong Tao, Peter

*Registered Office:*

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman

KY1-1111

Cayman Islands

*Head Office and Principal*

*Place of Business:*

Unit A, 22nd Floor

EIB Centre

Nos. 40-44 Bonham

Strand East

Sheung Wan

Hong Kong

16 April 2007

*To the Shareholders*

Dear Sir or Madam,

**(1) PROPOSED REFRESHMENT OF GENERAL MANDATE  
TO ALLOT AND ISSUE NEW SHARES,  
AND REPURCHASE SHARES,  
(2) PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT  
AND  
(3) PROPOSED CHANGE OF AUDITORS**

**A. INTRODUCTION**

The purpose of this circular is to provide you with information regarding certain ordinary resolutions to be proposed at the EGM to be held on Monday, 7 May 2007, to approve, among other matters, (i) ordinary resolution to grant the New General Mandate; (ii) ordinary resolution to grant the New Repurchase Mandate; (iii) ordinary resolution to grant the Scheme Mandate Limit; and (iv) ordinary resolution to approve the proposed Change of Auditors, and to set out the recommendation of the Independent Board Committee to the Independent Shareholders and the advice of Nuada in relation to the proposed grant of New General Mandate.

\* for identification purposes only

## LETTER FROM THE BOARD

### **B. PROPOSED REFRESHMENT OF GENERAL MANDATE TO ALLOT AND ISSUE NEW SHARES AND REPURCHASE SHARES**

Reference is made to the announcement dated 10 October 2006 of the Company and the circular dated 1 November 2006 of the Company in relation to, among other things, the proposed Subscription of 1,200,000,000 Shares, at an issue price of HK\$0.01 per Share, representing 80% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares. Upon completion of the Subscription on 21 November 2006, the enlarged total issued share capital of the Company became 1,500,000,000 Shares.

#### **PROPOSED NEW GENERAL MANDATE**

Since the AGM, the Existing General Mandate has not been utilized as at the Latest Practicable Date.

In view of the substantial increase in the number of issued Shares after Subscription, the Directors believe that the refreshment of the Existing General Mandate will enhance the flexibility for the Group to raise funds by equity financing for further business development and to strengthen the capital base and financial position of the Company. Accordingly, the Directors consider that the approval of the grant of the New General Mandate is in the best interests of the Company and the Shareholders as a whole. The Board propose to grant the New General Mandate to the Directors not exceeding 20% of the issued share capital of the Company at the EGM.

Subject to the passing of the proposed ordinary resolution for the approval of the refreshment of the Existing General Mandate and on the basis that no Shares will be issued and/or repurchased by the Company from the Latest Practicable Date up to the date of the EGM, the New General Mandate will allow the Directors to be given unconditional general mandate to allot and issue up to a maximum of 300,000,000 Shares, representing 20% of the issued share capital of the Company at the EGM.

#### **PROPOSED NEW REPURCHASE MANDATE**

Since the AGM, the Existing Repurchase Mandate has not been refreshed and utilized as at the Latest Practicable Date.

In view of the substantial increase in the number of issued Shares after Subscription, the Board propose to grant the New Repurchase Mandate to the Directors not exceeding 10% of the issued share capital of the Company at the EGM.

Subject to the passing of the proposed ordinary resolution for the approval of the refreshment of the Existing Repurchase Mandate and on the basis that no Shares will be issued and/or repurchased by the Company from the Latest Practicable Date up to the date of the EGM, the New Repurchase Mandate will allow the Directors to be given unconditional general mandate to allot and issue up to a maximum of 150,000,000 Shares, representing 10% of the issued share capital of the Company at the EGM.



## LETTER FROM THE BOARD

An explanatory statement as required under Rule 13.08 of the GEM Listing Rules, giving certain information relating to the New Repurchase Mandate, is set out in the Appendix to this circular. The information in the explanatory statement is to provide you with the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolutions relating to the New Repurchase Mandate.

The New General Mandate and the New Repurchase Mandate will, if granted, remain effective until the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws of the Cayman Islands or the Articles of Association to be held; or
- (c) the date on which the relevant mandate is revoked or varied by an ordinary resolution of the Shareholders at a general meeting.

### **Independent Board Committee**

The Independent Board Committee comprising Mr. Wong Ming, Kerry, Mr. Hsu Shiu Foo, William and Mr. Pang Hong Tao, Peter, all being independent non-executive Directors of the Company has been established to advise the Independent Shareholders as to the fairness and reasonableness of granting of the New General Mandate and whether the same is in the interests of the Company and its Shareholders as a whole.

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

Recommendations of the Independent Board Committee and the advice of Nuada are stated in the sections “Letter from the Independent Board Committee” and “Letter from Nuada” respectively.

The ordinary resolution for approving the New General Mandate to be proposed at the EGM will be taken by demanding a poll.

### **C. PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT**

The Company conditionally adopted the Share Option Scheme by way of written resolution of the then Shareholders of the Company on 26 October 2002 whereby the Directors were authorized to grant Options to Participants.

The purpose of the Share Option Scheme is to enable the Company to grant Options to Participants as incentives or rewards for their contribution to the Group, and to encourage Participants to perform their best in achieving goals of the Group.

## LETTER FROM THE BOARD

At present, the Company has no other share option scheme apart from the Share Option Scheme. As at the Latest Practicable Date, the outstanding number of Options under the Share Option Scheme was 30,000,000 Options granted to Participants representing 10% of the then issued share capital of the Company.

Under the rules of the Share Option Scheme and subject to the GEM Listing Rules:

- (i) the number of Shares subject to Options that may be granted shall not exceed 10% of the Shares in issue as at the date of approval of the Share Option Scheme;
- (ii) the Company may seek Shareholders' approval to renew the Scheme Mandate Limit on the grant of Options under the Share Option Scheme as and when required. However, the Scheme Mandate Limit as renewed shall not exceed 10% of the Shares in issue as at the date of the aforesaid Shareholders' approval. Options previously granted under the Share Option Scheme and other share option schemes (including those outstanding, cancelled, lapsed in accordance with the Share Option Scheme or exercised Options) will not be counted for the purpose of calculating the Scheme Mandate Limit as renewed. A circular must be sent to Shareholders in connection with the meeting at which their approval will be sought;
- (iii) the Company will seek separate approval of the Shareholders in general meeting to grant Options beyond the Scheme Mandate Limit to Participants specifically identified by the Company before the aforesaid Shareholders' meeting where such approval is sought; and
- (iv) the overall limit on the number of Shares which may be issued upon the exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme (after renewal of the Scheme Mandate Limit) and any other option schemes of the Company must not in aggregate exceed 30% of the total number of Shares in issue from time to time.

As at the Latest Practicable Date, no Options had been granted under the Share Option Scheme, 30,000,000 shares are available for issue under the Share Option Scheme, equivalent to 100% of the maximum limit of Options to be granted under the Scheme Mandate Limit. The Directors consider that the Company should refresh the Scheme Mandate Limit so that the Company could have more flexibility to provide incentives to Participants by way of granting Options to them. If the Scheme Mandate Limit is refreshed on the basis of 1,500,000,000 issued share capital at the EGM and assuming that no Shares are issued or repurchased by the Company prior to the EGM, the Scheme Mandate will be refreshed to 150,000,000 Shares (being 10% of the issued share capital of the Company as at the date of the EGM in which the refreshed limit is approved) and the Company will be allowed to grant further Options under the Share Option Scheme of the Company carrying the rights to subscribe for an aggregate of a maximum of 150,000,000 Shares.

## LETTER FROM THE BOARD

The proposed renewal of the Scheme Mandate Limit will be conditional upon the Listing Committee of GEM granting the listing of, and the permission to deal in, such number of Shares, representing 10% of the Shares in issue as at the date of the EGM, which may fall to be allotted and issued pursuant to the exercise of Options granted under the renewed Scheme Mandate Limit.

In this regard, the Company will seek approval from the Shareholders in the EGM for refreshment of the Scheme Mandate Limit. Application will be made to the Stock Exchange for the listing of and permission to deal in the Shares to be issued pursuant to the exercise of the Options granted under the Share Option Scheme up to the renewed Scheme Mandate Limit.

The Directors consider that the renewal of the Scheme Mandate Limit is in the best interests of the Company and the Shareholders as a whole because it enables the Company to reward and motivate its employees and other selected Participants under the Share Option Scheme. The renewal of the Scheme Mandate Limit is in line with the purpose of the Share Option Scheme.

An ordinary resolution will be proposed at the EGM to approve the refreshment of the existing Scheme Mandate Limit in the terms as set out in the notice of the EGM. In order that the Company could continue to grant Options to selected Participants as incentives or rewards for their contribution to the Company, the Directors recommend that Shareholders vote in favour of this ordinary resolution.

### **D. PROPOSED CHANGE OF AUDITORS**

Reference is made to an announcement of the Company dated 28 March 2007, the Board announced that Baker Tilly have resigned as Auditors of the Company with effect from 27 March 2007. The Board proposes to appoint Grant Thornton as the new Auditors to fill the casual vacancy following the resignation of Baker Tilly. Pursuant to the Articles of Association, such appointment has to be approved by the Shareholders at the EGM.

The reason for the change of the Auditors is due to the fact that the Company could not reach consensus with Baker Tilly on the audit fee for the year ended 31 March 2007 and a lower audit fee chargeable by Grant Thornton which the Board considers it to be in the interests of the Shareholders as a whole.

Baker Tilly has issued a clearance letter to Grant Thornton confirming that they are not aware of any professional or other reasons which would preclude their acceptance of appointment as the new Auditors. Moreover, the Board was not aware of any matters, including any disagreement or any unresolved issues between the Company and Baker Tilly that should be brought to the attention of the Shareholders and creditors of the Company in relation to the resignation of Baker Tilly since the date of the announcement of the Company dated 28 March 2007.

## LETTER FROM THE BOARD

Baker Tilly have not yet commenced any audit work of the Company's accounts for the financial year ended 31 March 2007 and such audit work would be undertaken by Grant Thornton upon its appointment. The Board does not consider that the proposed Change of Auditors will affect the release of the Company's annual results for the year ended 31 March 2007.

### **E. EXTRAORDINARY GENERAL MEETING**

A notice convening the EGM of the Company to be held at 14/F., Printing House, 6 Duddell Street, Central, Hong Kong on Monday, 7 May 2007 at 11:30 a.m. is set out on pages 22 to 26 of this circular.

A form of proxy for the EGM is enclosed with this circular. Whether or not you are able to attend and vote at the EGM, you are requested to complete the form of proxy and return the same to the Company's Hong Kong branch share registrar, Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for the holding of EGM. Completion and return of the form of proxy will not preclude you from attending and voting at EGM or any adjournment thereof if you so wish.

### **F. PROCEDURES FOR DEMANDING A POLL**

According to article 66 of the Articles of Association, at any general meeting a resolution put to the vote of a 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:

- (a) by a chairman of such meeting; or
- (b) by at least three Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorized representative or by proxy for the time being entitled to vote at the meeting; or
- (c) by a Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorized representative or by proxy and representing not less than one-tenth of the total voting rights of all Members having the right to vote at the meeting; or
- (d) by a Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorized 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.

## LETTER FROM THE BOARD

### G. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:

- (1) the information contained in this circular is accurate and complete in all material respects and not misleading;
- (2) there are no other matters the omission of which would make any statement in this circular misleading; and
- (3) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

### H. RECOMMENDATIONS

The Independent Board Committee, after taking into account the advice from Nuada, considers that the proposed refreshment of New General Mandate is fair and reasonable and in the interests of the Company and the Shareholders (including the Independent Shareholders) as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve proposed refreshment of New General Mandate.

The Directors consider that the proposed refreshment of the Existing General Mandate, the proposed refreshment of the Existing Repurchase Mandate, the proposed refreshment of Scheme Mandate Limit and the Proposed Change of Auditors are all fair and reasonable and in the interests of the Company and the Shareholders and so recommend the Shareholders to vote in favour of the ordinary resolutions to be proposed at the EGM.

The text of the letter from the Independent Board Committee is set out on page 11 of this circular. The text of the letter from Nuada is set out on pages 12 to 17 of this circular.

### I. FURTHER INFORMATION

Your attention is drawn to the text of the letters from the Independent Board Committee and Nuada respectively containing their opinions regarding the proposed refreshment of New General Mandate.

Yours faithfully,  
For and on behalf of the Board of  
**MP Logistics International Holdings Limited**  
**Yeung Leung Kong**  
*Chairman*



**MP Logistics International Holdings Limited**

**MP 物流國際控股有限公司\***

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

**(Stock Code: 8239)**

16 April 2007

*To the Independent Shareholders*

Dear Sirs or Madams,

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

We refer to the circular of the Company dated 16 April 2007 (the “Circular”) of which this letter forms part. Unless the context requires otherwise, capitalized terms used herein shall have the same meanings as defined in the Circular.

We have been appointed by the Board to advise the Independent Shareholders as to whether the terms of the proposed grant of the New General Mandate are fair and reasonable so far as the Independent Shareholders are concerned, Nuada has been appointed as the independent financial adviser to advise us in this respect.

Having considered the principal reasons and factors considered by, and the advice of, the independent financial adviser in its letter of advice to us as set out on pages 12 to 17 of the Circular, we are of the opinion that the proposed grant of the New General Mandate is fair and reasonable and is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the relevant ordinary resolution to be proposed at the EGM to approve the grant of the New General Mandate by way of poll.

Independent Board Committee

**Mr. Wong Ming, Kerry      Mr. Hsu Shiu Foo, William      Mr. Pang Hong Tao, Peter**  
*Independent non-executive Directors*

\* for identification purposes only

## LETTER FROM NUADA

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

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

16 April 2007

*To the Independent Board Committee  
and the Independent Shareholders of  
MP Logistics International Holdings Limited*

Dear Sirs,

### **PROPOSED REFRESHMENT OF GENERAL MANDATE TO ALLOT AND ISSUE NEW SHARES**

#### **INTRODUCTION**

We refer to the circular dated 16 April 2007 issued by MP Logistics International Holdings Limited to the Shareholders of which this letter forms part (the “Circular”) and our appointment as independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the proposed grant of the New General Mandate, details of which are set out in the letter from the Board contained in the Circular (the “Letter”). Capitalised terms used in this letter, unless the context otherwise requires, shall have the same meaning ascribed to them in the Circular.

Pursuant to Rule 17.42A of the GEM Listing Rules, the grant of the New General Mandate is subject to the approval of the Independent Shareholders by way of poll at the EGM. The controlling Shareholders and their associates or, where there are no controlling Shareholders, Directors (excluding the independent non-executive Directors) and the chief executive and their respective associates shall abstain from voting in favour of the relevant resolutions at the EGM. As at the Latest Practicable Date, Tolmen Star Limited and its associates were in aggregate interested in 902,000,000 Shares, representing approximately 60.13% of the issued share capital of the Company. Accordingly, Tolmen Star Limited and its associates are required to abstain from voting in favour of the relevant resolutions at the EGM.

## LETTER FROM NUADA

Tolmen Star Limited became the controlling Shareholder upon completion of the subscription of an aggregate of 1,200,000,000 new Shares, representing 80% of the then issued share capital of the Company (the "Subscription") on 21 November 2006. As a result of the completion of the Subscription, Tolmen Star Limited was required to make a mandatory unconditional general offer (the "Offer") for all the issued Shares (other than those already owned by it or parties acting in concert with it) pursuant to Rule 26 of the Takeovers Code. As a result of the Offer, Tolmen Star Limited became interested in 902,000,000 Shares upon the close of the Offer on 14 December 2006. For details regarding the Subscription and the Offer, please refer to the announcements jointly issued by the Company and Tolmen Star Limited on 10 October 2006, 21 November 2006 and 14 December 2006 respectively, the circular issued by the Company in respect of the Subscription dated 1 November 2006 and the composite offer document jointly issued by the Company and Tolmen Star Limited in respect of the Offer dated 23 November 2006.

The Independent Board Committee has been established to advise the Independent Shareholders at the EGM as to whether the terms of the proposed grant of the New General Mandate are fair and reasonable and in the interests of the Company and the Shareholders as a whole. We have been appointed to advise Independent Board Committee and the Independent Shareholders in this respect.

### **BASIS OF OUR ADVICE**

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

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



## LETTER FROM NUADA

### PRINCIPAL FACTORS AND REASONS CONSIDERED

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

#### Background

The Group is principally engaged in coordinating various logistics services for its customers. The logistics services provided by the Group include sea freight forwarding, road freight forwarding, air freight forwarding and providing other related logistics services such as customs clearance and declaration, purchasing insurance policies on behalf of the customers, repackaging and storage.

At the AGM, the Directors were granted the Existing General Mandate to allot and issue up to 60,000,000 new Shares, representing 20% of the aggregate nominal amount of the issued share capital of the Company comprising 300,000,000 Shares then in issue. As at the Latest Practicable Date, the Company had 1,500,000,000 Shares in issue as enlarged by the issue and allotment of 1,200,000,000 new Shares upon completion of the Subscription. Other than the Subscription, the Company had not conducted any fund raising activities in the past 12 months. In order to provide the Company with greater financial flexibility for the Group's future business development, the Directors therefore propose to seek the approval of the Independent Shareholders at the EGM for the grant of the New General Mandate. Subject to the passing of the ordinary resolutions for the approval of the New General Mandate and assuming that no other Shares are issued and/or repurchased by the Company between the Latest Practicable Date and the date of the EGM, the Company would be allowed under the New General Mandate to allot and issue up to 300,000,000 Shares.

#### Reasons for the New General Mandate

As advised by the Company, the Directors consider that equity financing to be an important avenue of resources to the Group since it does not create any interest paying obligations on the Group. As stated in the Letter, in view of the substantial increase in the number of issued Shares, the Directors believe that the refreshment of the Existing General Mandate will enhance the flexibility for the Group to raise funds by equity financing for further business development and to strengthen the capital base of the Company. While the Board considers that there is no immediate funding need for the Group's current operations and that there is currently no concrete proposal presented by potential investors for investment in Shares, the Board proposes to seek approval of the Independent Shareholders at the EGM of the New General Mandate such that should future funding needs arise or attractive terms for investment in Shares become available from potential investors, the Board, with the grant of the New General Mandate, will be more flexible in responding to the market and such investment opportunities promptly.

## LETTER FROM NUADA

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

As stated in the third quarterly report of the Company and as advised by the Company, the Company considers that the key factors for the Group to capture opportunities in the prospects of the logistic industry are to continue to implement costs control in keeping operating costs low and at the meantime, continue to implement various plans to expand the Group's operational network, its operational facilities, its images and services. While looking at ways to improve its existing business further, the Group is looking for any business opportunities elsewhere to improve its standard performance and improve shareholders' return.

Given the intention of the Company to seek for business expansion and new business opportunities, may any investment opportunities arise that would lead to issuance of new Shares and specific mandate may have to be sought in this respect, the Directors are uncertain as to whether the requisite approval from the Independent Shareholders could be obtained in a timely manner. In addition, the New General Mandate enhances the flexibility of the Group to capture a favourable equity market condition to raise funds by issuing new Shares.

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

In light of the substantial increase in the issued share capital of the Company as a result of completion of the Subscription and the Company's intention to seek for business expansion and new business opportunities, we are of the opinion that the New General Mandate would provide the Company with more flexibility for fulfilling any possible funding needs for future business development and/or investment decisions in a timely manner. As such, we are of the view that the grant of the New General Mandate will be in the interest of the Company and the Shareholders as a whole.

### **Other financing alternatives**

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

## LETTER FROM NUADA

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

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

### Potential dilution to shareholdings of the Independent Shareholders

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

	As at the Latest Practicable Date		Upon full utilisation of the New General Mandate	
	Shares	%	Shares	%
Tolmen Star Limited and its associates	902,000,000	60.13	902,000,000	50.11
Independent Shareholders	598,000,000	39.87	598,000,000	33.22
Shares issued under New General Mandate	—	—	300,000,000	16.67
Total	<u>1,500,000,000</u>	<u>100.00</u>	<u>1,800,000,000</u>	<u>100.00</u>

As illustrated in the table above, assuming that no other Shares are issued and/or repurchased by the Company, the aggregate shareholding of the Independent Shareholders will decrease from approximately 39.87% as at the Latest Practicable Date to approximately 33.22% upon full utilisation of the New General Mandate. Taking into account the benefits of the New General Mandate as discussed above and the fact that the shareholdings of all Shareholders will be diluted proportionately, we consider such dilution or potential dilution of shareholding to be reasonable.

## LETTER FROM NUADA

### RECOMMENDATION

Having considered the factors and reasons as stated above, we are of the view that the grant of the New General Mandate is fair and reasonable and in the interest of the Company and Shareholders as a whole. Accordingly, we recommend the Independent Shareholders and advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the ordinary resolutions in relation to the grant of the New General Mandate to be proposed at the EGM.

Independent Shareholders are however advised to take note of the possible dilution effect on their shareholding interests in the Company when and if the New General Mandate is utilised.

Yours faithfully,  
For and on behalf of  
**Nuada Limited**

**Bernard Chan**  
*Director*

**Po Chan**  
*Director*

The following is the explanatory statement which is required to be sent to you under Rule 13.08 of the GEM Listing Rules in connection with the proposed New Repurchase Mandate.

## **1. GEM LISTING RULES**

The GEM Listing Rules prohibit a company from knowingly purchasing securities on the Stock Exchange from a “connected person”, that is, a director, chief executive or substantial shareholder or management shareholder of the Company or any of its subsidiaries or their respective associates and a connected person is prohibited from knowingly selling his/her/its securities to the Company.

No connected person of the Company has notified the Company that he/she/it has a present intention to sell any Shares to the Company nor has any such connected person undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Repurchase Mandate is passed.

## **2. SHAREHOLDERS’ APPROVAL**

All proposed repurchases of securities by a company with a primary listing on the GEM must be approved in advance by an ordinary resolution, either by way of general mandate or by specific approval of a particular transaction.

## **3. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,500,000,000 Shares.

Subject to the passing of the proposed resolution for the approval of the New Repurchase Mandate and on the basis that no further Shares are issued or repurchased after the Latest Practicable Date and prior to the EGM, the Company will be allowed to repurchase a maximum of 150,000,000 Shares, representing 10% of the issued share capital of the Company as at the Latest Practicable Date.

## **4. THE REPURCHASE PROPOSAL**

The ordinary resolution set out as resolution 2 of the EGM notice relates to the granting of an unconditional New Repurchase Mandate to the Directors to repurchase, on GEM or any other stock exchange on which the shares of the Company may be listed and recognized by The Securities and Futures Commission of Hong Kong, Shares up to a maximum of 10% of the issued share capital of the Company at the date of the passing of the ordinary resolution.

Subject to the passing of the ordinary resolution granting the New Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the EGM, the Company will be allowed to repurchase a maximum of 150,000,000 Shares during the period ending on the earliest of the conclusion of the next annual general meeting of

the Company; the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws of the Cayman Islands or the Articles of Association to be held; or the date on which such authority is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

## **5. REASONS FOR REPURCHASES**

Although the Directors have no present intention of repurchasing the Shares, they believe that it is in the best interests of the Company and the Shareholders for the Directors to have a general authority from the Shareholders to enable the Company to repurchase Shares in the market. Such repurchase may, depending on the market conditions and funding arrangement at the time, lead to an enhancement of the net assets value of the Company and/or its earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

## **6. FUNDING OF REPURCHASES**

Repurchases made pursuant to the New Repurchase Mandate would be funded out of funds legally available for the purpose in accordance with the Company's memorandum and Articles of Association and the applicable laws and regulations of the Cayman Islands. Any repurchases must be made out of funds of the Company legally permitted to be utilized in this connection, including out of the profits of the Company or out of the proceeds of a fresh issue of shares made for the purpose of the repurchase or, if so authorized by its Articles of Association subject to the Companies Law of the Cayman Islands, out of capital. Any premium payable on a repurchase over the par value of the shares to be purchased must be provided for out of the profits of the Company or out of the Company's share premium account or if so authorized by its articles of association and subject to the provisions of the Companies Law of the Cayman Islands, out of capital.

There might be 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 31st March 2006) in the event that the New Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the New Repurchase Mandate to such extent as would, in the circumstances, have a material adverse impact 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.

## 7. SHARE PRICES

The monthly highest and lowest prices at which the Shares have been traded on GEM during the 12 months immediately preceding the Latest Practicable Date were as follows:

Month	Per share	
	Highest	Lowest
	trading price HK\$	trading price HK\$
<b>2006</b>		
April	0.116	0.080
May	0.125	0.091
June	0.120	0.100
July	0.140	0.089
August	0.110	0.086
September	0.110	0.093
October	0.110	0.075
November	0.113	0.080
December	0.105	0.075
<b>2007</b>		
January	0.128	0.090
February	0.350	0.110
March	0.340	0.206
April		
(up to and including the Latest Practicable Date)	0.420	0.295

## 8. GENERAL INFORMATION

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will only exercise the New Repurchase Mandate in accordance with the GEM Listing Rules and the applicable laws and regulations of the Cayman Islands and the Articles of Association.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates, has any present intention to sell any Shares to the Company, if the New Repurchase Mandate is approved at the EGM and exercised.

The Company has not been notified by any connected person (as defined in the GEM Listing Rules) that such a person has a present intention to sell any Shares to the Company, or has undertaken not to do so, if the New Repurchase Mandate is approved by the Shareholders.

## 9. HONG KONG CODE ON TAKEOVERS AND MERGERS

If, as a result of repurchase of Shares, 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 Rule 32 of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert, depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, the following Shareholders are interested in more than 10% of the Shares then in issue:

Name of the Shareholder	Number of Shares held	Approximate Percentage of shareholding (%)
Tolmen Star and parties acting in concert with it ( <i>Note 1</i> )	902,000,000	60.13

In the event that the Directors exercise in full the power to repurchase Shares in accordance with the New Repurchase Mandate, the total interests of the above Shareholders in the Shares would be increased to:

Name of the Shareholder	Number of Shares held	Approximate Percentage of shareholding (%)
Tolmen Star and parties acting in concert with it ( <i>Note 1</i> )	902,000,000	66.81

*Notes:*

1. Tolmen Star is wholly owned by Mr. Guo Xu who is the spouse of Madam. Zhou Ya Ping. Accordingly, each of Mr. Guo Xu and Madam. Zhou Ya Ping is deemed to be interested in the 902,000,000 Shares in which Tolmen Star is interested in.

The Directors have no intention to exercise any of the New Repurchase Mandate to such an extent that will result in a requirement of Tolmen Star and parties acting in concert with it to make a mandatory offer under the Takeovers Code.

Save as disclosed above, the Directors are currently not aware of any consequences which will arise under the Takeovers Code as a result of any repurchase made pursuant to the New Repurchase Mandate. In addition, the Company may not repurchase Shares which would result in the amount of Shares held by the public being reduced to less than 25%.

## 10. SHARE REPURCHASED BY THE COMPANY

No Shares have been repurchased by the Company, whether on GEM or otherwise, in the last six months preceding the Latest Practicable Date.



## NOTICE OF THE EGM



### MP Logistics International Holdings Limited

### MP 物流國際控股有限公司\*

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

**(Stock Code: 8239)**

#### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “EGM”) of the shareholders of MP Logistics International Holdings Limited (the “**Company**”) will be held at 14/F., Printing House, 6 Duddell Street, Central, Hong Kong on Monday, 7 May 2007 at 11:30 a.m. for the following purpose by way of special business, to consider and, if thought fit, passing with or without amendments, the following ordinary resolutions numbered 1 to 3 of the Company by demanding a poll and the following ordinary resolution numbered 4 of the Company by show of hands:

#### ORDINARY RESOLUTIONS

1. “**THAT:** to the extent not already exercised, the mandate to allot and issue share of the Company given to the directors of the Company (the “**Directors**”) at the annual general meeting of the Company held on 28 July 2006 be and is hereby revoked and replaced by the mandate.

#### **THAT:**

- (a) subject to paragraph (c) of this ordinary resolution, and pursuant to the Rules Governing (the “**GEM Listing Rules**”) the Listing of Securities on the Growth Enterprise Market (“**GEM**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with unissued shares (“**Shares**”) in the share capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this ordinary resolution shall authorize the Directors during the Relevant Period (as defined below) to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of the share capital of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) issued or deal with by the Directors pursuant to the approval in paragraph (a) of this ordinary resolution,

\* for identification purposes only

## NOTICE OF THE EGM

otherwise than pursuant to (i) a Rights Issue (as defined below); (ii) the exercise of any option under the Share Option Scheme (as defined below) or any other option scheme or similar arrangement for the time being adopted for the grant or issue to directors and/or employees of the Company and/or any of its subsidiaries of Shares or rights to acquire Shares; or (iii) any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any existing warrants of the Company or any existing securities of the Company which carry rights to subscribe for are convertible into Shares, shall not exceed the aggregate of:

- (i) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of passing of this ordinary resolution;
  - (ii) (if the Directors are so authorized by a separate ordinary resolution of the Shareholders) the nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this ordinary resolution (up to a maximum equivalent to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of passing of this resolution), and the authority pursuant to paragraph (a) of this ordinary resolution shall be limited accordingly; and
- (d) for the purpose of this ordinary resolution, “**Relevant Period**” means the period from the date of the passing of this ordinary resolution until whichever is the earliest of
- (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company, or any other applicable laws of the Cayman Islands to be held; and
  - (iii) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors by this ordinary resolution.

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the register on a fixed record date in proportion to their then holdings of Shares (subject

## NOTICE OF THE EGM

to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognized regulatory body or any stock exchange outside Hong Kong)”

2. “**THAT**

- (a) subject to paragraph (b) of this resolution, the exercise by the Directors of the Company during the Relevant Period of all powers of the Company to repurchase the Shares on the Stock Exchange or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong (the “**Securities and Futures Commission**”) and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange or of any such other stock exchange as amended from time to time and all other applicable laws in this regard, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares authorised to be repurchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (c) for the purposes of this resolution, “**Relevant Period**” shall have the same meaning as in resolution no. 1(d).”

3. “**THAT** subject to the ordinary resolutions nos. 1 and 2 above being duly passed, the unconditional general mandate granted to the Directors to exercise the powers of the Company to allot, issue and deal with unissued Shares and to make or grant offers, agreements and options which might require to exercise of such powers pursuant to resolution no. 1 above be and is hereby extended by the addition thereon of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to resolution no. 2, provided that such amount shall not exceed 10 per cent. of the aggregate nominal amount of the issued Shares on the date of the passing of resolution no. 2.”

4. “**THAT** subject to and conditional upon the Listing Committee of the Stock Exchange granting the listing of and permission to deal in Shares which may be issued pursuant to the exercise of the options which may be granted under the share option schemes conditionally adopted by the Company on 26 October 2002 (the “**Share Option Scheme**”) granting the listing of and permission to deal in the Shares which may be issued pursuant to the refreshment of the Scheme Mandate Limit on the grant of options under the Share Option Scheme

## NOTICE OF THE EGM

and any other share option scheme(s) of the Company of up to 10 per cent. of the issued share capital of the Company as at the date of passing this ordinary resolution (the “**Refreshed Mandate Limit**”) be and is hereby approved and the Directors be and are hereby authorized to do such act and execute such document as they deem necessary and fit to give effect to the Refreshed Mandate Limit.”

5. “**THAT** the resignation of Baker Tilly Hong Kong Limited be and is hereby approved and Messrs. Grant Thornton be and is hereby appointed as the auditors of the Company and its subsidiaries in place of the resigned auditors, Baker Tilly Hong Kong Limited to hold office until the conclusion of the next annual general meeting of the Company, and the Directors be and are hereby authorized to fix the remuneration for the appointed auditors.”

By order of the Board  
**MP Logistics International Holdings Limited**  
**Yeung Leung Kong**  
*Chairman*

Hong Kong, 16 April 2007

*Registered Office:*  
Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman  
KY1-1111  
Cayman Islands

*Head Office and Principal  
Place of Business:*  
Unit A, 22nd Floor  
EIB Centre  
Nos. 40-44 Bonham Strand East  
Sheung Wan  
Hong Kong

## NOTICE OF THE EGM

*Notes:*

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