
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

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**CHINA POWER INTERNATIONAL DEVELOPMENT LIMITED****中國電力國際發展有限公司***(incorporated in Hong Kong with limited liability under the Companies Ordinance)***(Stock Code: 2380)**

**PROPOSALS FOR RE-ELECTION
OF RETIRING DIRECTORS
AND
GENERAL MANDATES TO
ISSUE AND TO REPURCHASE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

This circular, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited 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 circular 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 circular misleading.

A notice convening the annual general meeting of the Company to be held at Tianshan and Lushan Room, Level 5, Island Shangri-La, Two Pacific Place, Supreme Court Road, Central, Hong Kong on Friday, 18 May 2012 at 11:00 a.m. is set out on pages 14 to 17 of this circular. Whether or not you are able to attend the annual general meeting, you are requested to complete the form of proxy accompanying the notice of the annual general meeting in accordance with the instructions printed thereon and return it to the share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the annual general meeting or any adjourned meeting. Completion and return of the form of proxy will not preclude any member of the Company from attending the meeting or any adjournment thereof and voting in person if such member so wishes and in such event, the form of proxy will be deemed to be revoked.

16 April 2012

DEFINITIONS

In this circular, (other than the Notice of Annual General Meeting) the following expressions have the following meanings unless the context requires otherwise:

“Annual General Meeting”	the annual general meeting of the Company to be held at 11:00 a.m., on Friday, 18 May 2012;
“Articles”	The Articles of Association of the Company;
“Board”	the board of Directors of the Company;
“Companies Ordinance”	Companies Ordinance, Chapter 32 of the Laws of Hong Kong (as amended from time to time);
“Company”	China Power International Development Limited, a company incorporated in Hong Kong with limited liability, whose shares are listed on the Main Board of the Stock Exchange;
“Director(s)”	director(s) of the Company;
“Group”	the Company and its subsidiaries;
“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 3(a) of the Letter from the Board in this circular;
“Latest Practicable Date”	10 April 2012, 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 of Hong Kong Limited (as amended from time to time);
“PRC”	the People’s Republic of China, which for the purpose of this circular excludes Hong Kong and the Macau Special Administrative Regions and Taiwan;
“Repurchase Mandate”	as defined in paragraph 3(b) of the Letter from the Board in this circular;

DEFINITIONS

“Securities and Futures Ordinance”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (as amended from time to time);
“Share(s)”	share(s) of HK\$1.00 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Shares;
“Share Option Scheme”	the share option scheme conditionally approved and adopted by the Company on 24 August 2004;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary”	a company which is for the time being and from time to time a subsidiary (within the meaning of the Companies Ordinance) of the Company whether that company is incorporated in Hong Kong, the PRC, the British Virgin Islands or elsewhere; and
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers.

LETTER FROM THE BOARD



CHINA POWER INTERNATIONAL DEVELOPMENT LIMITED

中國電力國際發展有限公司

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

(Stock Code: 2380)

Executive Directors:

Ms. Li Xiaolin (*Chairman and Chief Executive Officer*)

Mr. Gu Dake (*President*)

Non-executive Directors:

Mr. Guan Qihong

Mr. Gu Zhengxing

Independent Non-executive Directors:

Mr. Kwong Che Keung, Gordon

Mr. Li Fang

Mr. Tsui Yiu Wa, Alec

Registered Office:

Suite 6301, 63/F.

Central Plaza

18 Harbour Road

Wanchai

Hong Kong

16 April 2012

To the Shareholders,

Dear Sir or Madam,

**PROPOSALS FOR RE-ELECTION
OF RETIRING DIRECTORS
AND
GENERAL MANDATES TO
ISSUE AND TO REPURCHASE SHARES
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 Issuance Mandate to the Directors; (iii) the granting of the Repurchase Mandate to the Directors; and (iv) the extension of the Issuance Mandate by adding to it the aggregate nominal amount of the Shares repurchased by the Company under the Repurchase Mandate.

LETTER FROM THE BOARD

2. RE-ELECTION OF RETIRING DIRECTORS

Pursuant to articles 81 and 82 of the Articles, Mr. Gu Dake, Mr. Li Fang and Mr. Tsui Yiu Wa, Alec shall retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election. Pursuant to Rule 13.74 of the Listing Rules, the details of the retiring Directors are set out in Appendix I to this circular.

3. GENERAL MANDATES TO ISSUE AND TO REPURCHASE SHARES

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

- (a) to allot, issue or deal with Shares of an aggregate nominal amount of up to 20% of the aggregate nominal amount of the issued share capital of the Company in issue on the date of passing of such resolution (the “Issuance Mandate”), namely, up to a maximum of 1,021,412,155 Shares on the basis that the issued share capital of the Company comprised 5,107,060,777 Shares as at the date of the Annual General Meeting;
- (b) 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 in issue on the date of passing of such resolution (the “Repurchase Mandate”), namely, up to a maximum of 510,706,077 Shares on the basis that the issued share capital of the Company comprised 5,107,060,777 Shares as at the date of the Annual General Meeting;
- (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 Repurchase Mandate.

The Issuance Mandate and Repurchase 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 nos. 6A and 6B set out in the notice of Annual General Meeting. With reference to the Repurchase Mandate, the Directors wish to state that they have no present plan to repurchase any Shares.

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 Repurchase Mandate. The explanatory statement as required by the Listing Rules in connection with the Repurchase Mandate is set out in Appendix II to this circular.

LETTER FROM THE BOARD

4. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages 14 to 17 of this circular. At the Annual General Meeting, resolutions will be proposed to approve, inter alia, the re-election of retiring Directors, the granting of the Issuance Mandate, the Repurchase Mandate and the extension of the Issuance Mandate by the addition thereto of the aggregate nominal amount of the Shares repurchased pursuant to the Repurchase Mandate. Any vote of Shareholders at the Annual General Meeting will be taken by poll in accordance with the Listing Rules.

A form of proxy for use at the Annual General Meeting is enclosed with this circular. To be valid, the form of proxy, together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of that power or authority must be deposited at the share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjourned meeting. Completion and return of the form of proxy will not preclude any member of the Company from attending the meeting or any adjournment thereof and voting in person if such member so wishes and in such event, the form of proxy will be deemed to be revoked.

5. RECOMMENDATION

The Directors consider that the re-election of the retiring Directors, the granting of the Issuance Mandate, the granting of the Repurchase Mandate and the extension of the Issuance Mandate are in the best 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.

6. GENERAL INFORMATION

Your attention is drawn to the additional information set out in Appendix I (Details of the retiring Directors proposed to be re-elected at the Annual General Meeting), Appendix II (Explanatory Statement on the Repurchase Mandate) and Appendix III (Procedure by which the Shareholders may demand a poll at a general meeting pursuant to the Articles) to this circular.

Yours faithfully,
On behalf of the Board
Li Xiaolin

Chairman and Chief Executive Officer

APPENDIX I DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING

Pursuant to Rule 13.74 of the Listing Rules, the details of the retiring Directors proposed to be re-elected at the Annual General Meeting are set out below:

Mr. Gu Dake, an executive Director

Experience

Gu Dake, born in 1954, is an executive Director and the president of the Company. Mr. Gu is a senior engineer and has a professional qualification in thermal power from the Northeast China Institute of Electric Power Engineering. Currently, Mr. Gu is a director and general manager of China Power International Holding Limited (“Mr. Gu’s other positions”). Mr. Gu has served as the vice president of the Company, the deputy general manager and the chief engineer of China Power International Holding Limited, the deputy general manager and the chief engineer of Beijing Guohau Power Limited, the vice president of CLP Guohau Corporation* (中電國華電力股份有限責任公司), the deputy general manager of the branch company of China Power Investment Corporation* (“CPIC”, 中國電力投資集團公司, the ultimate holding company of the Company) in Northern China, the chief operational officer in power generation of CPIC and the general manager of Shanxi Zhangze Power Company Limited. Save as disclosed above, Mr. Gu has not held any directorship in other listed public companies in the past three years.

Length of service

Mr. Gu has been appointed for a term of three years. After Mr. Gu’s re-election at the forthcoming Annual General Meeting, he will continue to serve on the Board until the expiry of his appointed term and he will be subject to retirement by rotation in accordance with the Articles.

Relationships

Other than in his capacity as an executive Director and Mr. Gu’s other positions, Mr. Gu does not have any relationship with any directors, senior management, substantial or controlling shareholders (as defined in the Listing Rules) of the Company.

Interests in Shares

So far as the Directors are aware as at the Latest Practicable Date, Mr. Gu is beneficially interested in 2,949,300 underlying Shares (within the meaning of Part XV of the Securities and Futures Ordinance), representing approximately 0.058% of the total issued share capital of the Company, being the subject of options granted to him pursuant to the Share Option Scheme.

Director’s emoluments

Mr. Gu does not have any service contract with any member of the Group. His emoluments for the financial year ended 31 December 2011 amounted to RMB246,069 which was determined based on his performance, qualifications and competence displayed. His emoluments for the financial year

APPENDIX I DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING

ending 31 December 2012 will be determined by the Board with reference to his experience, performance and duties as well as the prevailing market conditions shortly before the Annual General Meeting of the Company to be held in 2013, details of which will be disclosed by the Company once determined.

Mr. Li Fang, an independent non-executive Director

Experience

Li Fang, born in 1962, is an independent non-executive Director of the Company. Mr. Li has been the chairman of the remuneration and nomination committee and a member of the audit committee of the Company since August 2004. Mr. Li has a bachelor of engineering degree from Beijing University of Science and Technology and a juris scientiae doctoral degree from the College of Law of Arizona State University in the United States in 1995. Mr. Li is currently the chairman of Beijing Mainstreets Investment Group Corporation and an independent non-executive director of China Power New Energy Development Company Limited (“Mr. Li’s other positions”). Mr. Li has extensive experience in business management and corporate finance. He has served as an executive director of Goldman Sachs (Asia) L.L.C. and a lawyer with David Polk and Wardwell in the United States. Save as disclosed above, Mr. Li has not held any directorship in other listed public companies in the past three years.

Length of service

Mr. Li has been appointed for a term of three years. After Mr. Li’s re-election at the forthcoming Annual General Meeting, he will continue to serve on the Board until the expiry of his appointed term and he will be subject to retirement by rotation in accordance with the Articles.

Relationships

Other than in his capacity as an independent non-executive Director and Mr. Li’s other positions, Mr. Li does not have any relationship with any directors, senior management, substantial or controlling shareholders (as defined in the Listing Rules) of the Company.

Interests in Shares

So far as the Directors are aware as at the Latest Practicable Date, Mr. Li does not have any interest in the Shares (within the meaning of Part XV of the Securities and Futures Ordinance) of the Company.

Director’s emoluments

Mr. Li does not have any service contract with any member of the Group. His emoluments for the financial year ended 31 December 2011 amounted to RMB240,936 which was determined based on his performance, qualifications and competence displayed. His emoluments for the financial year

APPENDIX I DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING

ending 31 December 2012 will be determined by the Board with reference to his experience, performance and duties as well as the prevailing market conditions shortly before the Annual General Meeting of the Company to be held in 2013, details of which will be disclosed by the Company once determined.

Mr. Tsui Yiu Wa, Alec, an independent non-executive Director

Experience

Tsui Yiu Wa, Alec, born in 1949, is an independent non-executive Director of the Company, a member of the remuneration and nomination committee and the audit committee of the Company. Mr. Tsui holds a bachelor of science degree in industrial engineering and a master degree in industrial engineering from the University of Tennessee in the United States and completed the Program of Senior Managers in Government at the John F. Kennedy School of Government at Harvard University of the United States in 1993. Mr. Tsui is currently the chairman of WAG Worldsec Corporate Finance Limited and an independent non-executive director of a number of companies listed in Hong Kong, Shanghai and NASDAQ in the United States, including China Chengtong Development Group Limited, COSCO International Holdings Limited, China BlueChemical Limited, Melco Crown Entertainment Limited, ATA Inc, China Oilfield Services Limited, Pacific Online Limited and Summit Ascent Holdings Limited (“Mr. Tsui’s other positions”). Mr. Tsui has substantial experience in the operations of listed companies in Hong Kong. He has served as a director of the Finance & Operations Services Division and chief executive of the Stock Exchange, chief operating officer of The Hong Kong Exchanges and Clearing Limited and the chief executive officer of the Regent Pacific Group. He has also served as an independent non-executive director of China Huiyuan Juice Group Limited, Greentown China Holdings Limited and National Arts Holdings Limited. Save as disclosed above, Mr. Tsui has not held any directorship in other listed public companies in the past three years.

Length of service

Mr. Tsui has been appointed for a term of three years. After Mr. Tsui’s re-election at the forthcoming Annual General Meeting, he will continue to serve on the Board until the expiry of his appointed term and he will be subject to retirement by rotation in accordance with the Articles.

Relationships

Other than in his capacity as an independent non-executive Director and Mr. Tsui’s other positions, Mr. Tsui does not have any relationship with any directors, senior management, substantial or controlling shareholders (as defined in the Listing Rules) of the Company.

Interests in Shares

So far as the Directors are aware as at the Latest Practicable Date, Mr. Tsui does not have any interest in the Shares (within the meaning of Part XV of the Securities and Futures Ordinance) of the Company.

**APPENDIX I DETAILS OF THE RETIRING DIRECTORS PROPOSED TO
BE RE-ELECTED AT THE ANNUAL GENERAL MEETING**

Director's emoluments

Mr. Tsui does not have any service contract with any member of the Group. His emoluments for the financial year ended 31 December 2011 amounted to RMB240,936 which was determined based on his performance, qualifications and competence displayed. His emoluments for the financial year ending 31 December 2012 will be determined by the Board with reference to his experience, performance and duties as well as the prevailing market conditions shortly before the Annual General Meeting of the Company to be held in 2013, details of which will be disclosed by the Company once determined.

In the opinion of the Directors, other than the aforesaid matters, there is no information which is discloseable nor any of the aforesaid Directors proposed to be re-elected at the Annual General Meeting is/was involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under Rules 13.51(2) of the Listing Rules, and there is no any other matters need to be brought to the attention of the Shareholders.

* *For identification purposes only*

APPENDIX II EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

This is the explanatory statement required under the Listing Rules to be sent to the Shareholders to enable them to make an informed decision in relation to the granting of the Repurchase Mandate.

1. Share capital

As at the Latest Practicable Date, the issued share capital of the Company comprised 5,107,060,777 Shares.

Subject to the passing of the proposed resolution in respect of the granting of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 510,706,077 Shares (representing 10% of the Shares in issue as at the date of granting of the Repurchase Mandate).

2. Reason for repurchases

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders. Such repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value and/or earnings per Share of the Company and will only be made when the Directors believe that such repurchase will benefit the Company and the Shareholders.

The Directors have no present intention to repurchase any Shares.

3. Funding of repurchases

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum and articles of association, the laws of Hong Kong and the Listing Rules. Repurchases pursuant to the Repurchase Mandate will be made out of funds of the Company legally permitted to be utilised in this connection, including funds otherwise available for dividend or distribution or the proceeds of a fresh issue of Shares made for such purpose. Any premium payable on a repurchase over the par value of the Shares to be repurchased must be provided for out of funds otherwise available for dividend or distribution or out of sums standing to the credit of the share premium account of the Company.

There might be an 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 2011 in the event that the repurchase of Shares were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the repurchase of Shares to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

APPENDIX II EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

4. Share prices

The highest and lowest prices at which the Shares have traded on the Stock Exchange during each of the following months up to the Latest Practicable Date were as follows:

Month	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2011		
April	1.83	1.62
May	1.98	1.71
June	1.98	1.78
July	2.00	1.86
August	1.97	1.59
September	1.78	1.24
October	1.68	1.32
November	1.83	1.52
December	1.87	1.70
2012		
January	2.08	1.81
February	2.14	1.85
March	1.97	1.67
April (up to the Latest Practicable Date)	1.83	1.60

5. Undertaking

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate and in accordance with the Listing Rules and the applicable laws of Hong Kong.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their associates (as defined in the Listing Rules), have any present intention to sell any Shares to the Company or its subsidiaries under the Repurchase Mandate if such resolution is approved by the Shareholders.

No other connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company or its subsidiaries, nor have undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

APPENDIX II EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

6. Takeovers Code

If on the exercise of the powers to repurchase Shares pursuant to the Repurchase 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 Rule 32 of the Takeovers Code. As a result, 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. As at the Latest Practicable Date, China Power Development Limited and China Power International Holding Limited held 3,529,327,927 Shares representing approximately 69.11% of the 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 China Power Development Limited and China Power International Holding Limited in the issued Shares would be increased to approximately 76.79% of the total issued share capital of the Company. The Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any repurchases made under the Repurchase Mandate. In addition, in exercising the Repurchase Mandate (whether in full or otherwise), the Directors will ensure that the Company shall comply with the requirements of the Listing Rules, including the minimum percentage of Shares being held in public hands.

7. Share repurchase made by the Company

The Company has not repurchased any Shares (whether on the Stock Exchange or otherwise) during the six months proceeding the Latest Practicable Date.

APPENDIX III**PROCEDURES BY WHICH THE SHAREHOLDERS MAY
DEMAND A POLL AT A GENERAL MEETING PURSUANT TO
THE ARTICLES OF ASSOCIATION OF THE COMPANY**

The following paragraphs set out the procedures by which the Shareholders may demand a poll at a general meeting of the Company (including the Annual General Meeting) pursuant to the Articles.

According to Article 61 of the Articles, at every general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless (before or immediately after the declaration of the result of the show of hands) a poll is demanded by:

- (a) the chairman of the meeting; or
- (b) at least three members present in person or by proxy having the right to vote on the resolution; or
- (c) a member or members present in person or by proxy representing in aggregate not less than one-tenth of the total voting rights of all the members having the right to attend and vote at the meeting; or
- (d) a member or members present in person or by proxy holding Shares conferring the right to attend and vote at the meeting on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right,

and a demand for a poll by a person as proxy for a member shall be as valid as if the demand were made by the member himself.

NOTICE OF ANNUAL GENERAL MEETING



CHINA POWER INTERNATIONAL DEVELOPMENT LIMITED

中國電力國際發展有限公司

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

(Stock Code: 2380)

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the annual general meeting of China Power International Development Limited (the “Company”) will be held at Tianshan and Lushan Room, Level 5, Island Shangri-La, Two Pacific Place, Supreme Court Road, Central, Hong Kong on Friday, 18 May 2012 at 11:00 a.m. for the purpose of transacting the following business:

ORDINARY RESOLUTIONS

1. To receive and adopt the audited consolidated financial statements of the Company and the reports of the board of directors and the auditor of the Company for the year ended 31 December 2011;
2. To consider and declare a final dividend of RMB0.045 (equivalent to HK\$0.0555) per ordinary share for the year ended 31 December 2011;
3.
 - (a) To re-elect Mr. Gu Dake as director of the Company;
 - (b) To re-elect Mr. Li Fang as director of the Company;
 - (c) To re-elect Mr. Tsui Yiu Wa, Alec as director of the Company;
4. To authorise the board of directors to fix the directors’ remuneration;
5. To re-appoint Messrs. PricewaterhouseCoopers as the auditor of the Company and to authorise the board of directors to fix its remuneration.
6. As special business, to consider and, if thought fit, pass with or without amendments the following resolutions as Ordinary Resolutions:
 - A. “**THAT:**
 - (a) subject to paragraph (c) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the

NOTICE OF ANNUAL GENERAL MEETING

Company to allot, issue and deal with additional shares in the share capital of the Company and to make or grant offers, agreements and options, including warrants to subscribe for shares, which might require the exercise of such powers be and is hereby generally and unconditionally approved;

- (b) the approval in paragraph (a) above shall be in addition to any other authorisation given to the directors of the Company and shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options, including warrants to subscribe for shares, which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to a Rights Issue (as hereinafter defined) or any issue of shares of the Company on the exercise of the subscription rights attaching to any warrants which may be issued by the Company from time to time or on the exercise of any options granted under the share option scheme of the Company or an issue of shares in lieu of the whole or part of a dividend on shares in accordance with the articles of association of the Company, shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this resolution, and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the articles of association of the Company to be held; and
- (iii) the passing of an ordinary resolution of the Company in general meeting revoking or varying the authority set out in this resolution.

“Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to holders of shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the directors of the Company 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 any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

NOTICE OF ANNUAL GENERAL MEETING

B. “THAT:

- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase its shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the shares may be listed and which is recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of securities authorised to be repurchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this resolution and the said approval shall be limited accordingly; and
- (c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the articles of association of the Company to be held; and
- (iii) the passing of an ordinary resolution of the Company in general meeting revoking or varying the authority set out in this resolution.”

- C. **“THAT** conditional on the passing of the resolutions set out in paragraphs 6A and 6B of the notice convening this meeting, the general mandate granted to the directors of the Company and for the time being in force to exercise the powers of the Company to allot, issue and deal with additional shares pursuant to the resolution set out in paragraph 6A of the notice convening this meeting be and is hereby extended by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to such general mandate of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the

NOTICE OF ANNUAL GENERAL MEETING

Company under the authority granted pursuant to the resolution set out in paragraph 6B of the notice convening this meeting, provided that such extended amount shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution.”

On behalf of the Board

Li Xiaolin

Chairman & Chief Executive Officer

Hong Kong, 16 April 2012

Registered Office:

Suite 6301, 63/F.

Central Plaza

18 Harbour Road

Wanchai

Hong Kong

Notes:

1. Any member of the Company entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Company. A member who is holding two or more shares of the Company is entitled to appoint more than one proxy to attend and vote in his stead. If more than one proxy is appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. To be valid, this form of proxy, together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of that power or authority must be deposited at the share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the annual general meeting or any adjourned meeting. Completion and return of the form of proxy will not preclude any member of the Company from attending the meeting or any adjournment thereof and voting in person if such member so wishes and in such event, the form of proxy will be deemed to be revoked.
3. The biographical details of all the directors to be re-elected or elected at the above meeting are provided in Appendix I to the circular issued by the Company to its shareholders and dated 16 April 2012.
4. For good corporate governance, the chairman of the above meeting will demand a poll on each of the resolutions set out in the notice of the above meeting in accordance with the articles of association of the Company.

Please note that refreshments will not be served at the Annual General Meeting.