
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold all your shares in **Shenyin Wanguo (H.K.) Limited**, you should at once hand this document and the accompanying form of proxy to the purchaser or to the bank or stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this document, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.



SHENYIN WANGUO (H.K.) LIMITED

申銀萬國（香港）有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 218)

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

A notice convening the Annual General Meeting of Shenyin Wanguo (H.K.) Limited to be held at the Dragon Room, The Hong Kong Bankers Club at 43rd Floor, Gloucester Tower, The Landmark, 11 Pedder Street, Central, Hong Kong on Friday, 16 May 2008 at 9:00 a.m. is set out on pages 11 to 14 of this circular. Whether or not you are able to attend the meeting, you are advised to complete the accompanying proxy form in accordance with the instructions printed thereon and return it to the Company's registered office at 28th Floor, Citibank Tower, Citibank Plaza, 3 Garden Road, Central, Hong Kong, as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the meeting or any adjourned meeting thereof. Completion of the proxy form will not preclude you from attending and voting at the meeting or any adjourned meeting if you so wish.

23 April 2008

DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at the Dragon Room, The Hong Kong Bankers Club at 43rd Floor, Gloucester Tower, The Landmark, 11 Pedder Street, Central, Hong Kong on 16 May 2008 at 9:00 a.m.
“Articles of Association”	the Articles of Association of the Company
“Board”	the Directors of the Company or (as the context may require) the majority of Directors present and voting at a meeting of the Directors
“Company”	Shenyin Wanguo (H.K.) Limited, whose shares are listed on the Stock Exchange
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Director(s)”	Director(s) of the Company
“General Mandate”	the general authority to the Directors to allot, issue and deal with shares in accordance with the terms set out in Ordinary Resolutions 5 and 7 in the notice convening the Annual General Meeting dated 23 April 2008
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region
“Latest Practicable Date”	18 April 2008, being the latest practicable date prior to the printing of this document
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Repurchase Mandate”	the authority to the Directors to exercise all the powers of the Company to repurchase shares of the Company in accordance with the terms set out in Ordinary Resolution 6 in the notice convening the Annual General Meeting dated 23 April 2008
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	Share(s) of HK\$0.50 each in the capital of the Company
“Shareholder(s)”	Holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers



SHENYIN WANGUO (H.K.) LIMITED

申銀萬國（香港）有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 218)

Directors:

Executive

Feng Guorong (*Chairman*)

Lu Wenqing

Lee Man Chun Tony (*Chief Executive Officer*)

Guo Chun

Ying Niankang

Registered Office:

28th Floor

Citibank Tower

Citibank Plaza

3 Garden Road

Central

Hong Kong

Non-executive

Chang Pen Tsao

Huang Gang

Independent Non-executive

Ng Wing Hang Patrick

Kwok Lam Kwong Larry

Zhuo Fumin

23 April 2008

To the Shareholders

Dear Sir or Madam,

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

INTRODUCTION

At the annual general meeting of the Company held on 11 May 2007, resolutions were passed (1) granting to the Directors a general and unconditional mandate (a) to issue further shares representing up to 20% of the aggregate nominal amount of the issued share capital of the Company, and (b) to issue shares not exceeding the aggregate nominal amount of share capital repurchased; and (2) granting to the Directors all the powers to repurchase up to 10% of the aggregate nominal amount of the issued share capital of the Company. These general mandates will expire at the conclusion of the Annual General Meeting of the Company to be held on 16 May 2008.

The purpose of this circular is to give you information regarding the following resolutions to be proposed at the Annual General Meeting to enable the Shareholders to make an informed decision on whether to vote for or against the resolutions.

The resolutions include (i) re-election of Directors; (ii) granting to the Directors a general and unconditional mandate (a) to issue further shares representing up to 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the resolution, and (b) to issue shares not exceeding the aggregate nominal amount of share capital repurchased pursuant to the Repurchase Mandate; (iii) granting to the Directors the Repurchase Mandate.

RE-ELECTION OF DIRECTORS

All the retiring Directors set out below are not appointed for specific terms. In accordance with Article 104(A) of the Company's Articles of Association, at each Annual General Meeting, one-third of the Directors for the time being or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation, provided that every director shall be subject to retirement by rotation at least once every three years.

Accordingly, Mr. Ying Niankang, Mr. Chang Pen Tsao, Mr. Ng Wing Hang Patrick and Mr. Zhuo Fumin shall retire at the conclusion of the Annual General Meeting and are eligible for re-election.

Brief biography, as at the Latest Practicable Date, of each of the Directors to be re-elected at the Annual General Meeting is set out below:

Mr. Ying Niankang, aged 56, was appointed as an Executive Director of the Company in August 1997. He was a Deputy General Manager of the International Business Division of Shenyin & Wanguo Securities Co., Ltd. and has more than 10 years' experience in corporate finance. He was the Chief of Division of Technology & Economics, Department of Project Management, College of Civil Engineering, in Shanghai, between 1983 and 1991. He holds a Master's Degree and a Bachelor's Degree from the Department of Industrial Economics at Shanghai University of Finance and Economics.

Save as disclosed above, Mr. Ying did not hold any other directorship in listed public company in the last three years.

Mr. Ying also holds directorships in certain wholly owned subsidiaries of the Company. Save as disclosed above, he does not have any relationship with any other Director, senior management, controlling shareholder or substantial shareholder of the Company.

Mr. Ying does not have interests in the Shares of the Company within the meaning of Part XV of the SFO. In addition, there is no service contract between the Company and Mr. Ying. The emoluments of the Directors are determined by the Board with reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions. Mr. Ying received a sum of HK\$750,000 being remuneration in respect of his directorship in the Company for the year ended 31 December 2007.

In relation to the re-election of Mr. Ying as director, there is no information to be disclosed pursuant to any of the requirements of rules 13.51(2)(h) to 13.51(2)(v) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Save as disclosed above, there are not any other matters that need to be brought to the attention of the Shareholders.

Mr. Chang Pen Tsao, aged 68, is a Non-executive Director of the Company. He is the Founder and Chairman of Taiwan International Securities Group, Global Securities Finance Corp., The Business Development Foundation of The Chinese Straits, Unitech Electronics Corp., and Ideal Bike Corp. Both Unitech Electronics Corp. and Ideal Bike Corp. are listed on Taiwan Stock Exchange. He served as a Senator in Taiwan for 9 years and was the Chairman of Kwang Hua Securities Investment & Trust Co., Ltd. He has more than 20 years' experience in legal practice as a lawyer, prosecutor and district judge, as well as in business management, and has more than 10 years' experience in securities investment. He received his LL.B. Degree from Chung Hsin University, Taiwan in 1967.

Save as disclosed above, Mr. Chang did not hold any other directorship in listed public company in the last three years.

Mr. Chang does not have any relationship with any other Director, senior management, controlling shareholder or substantial shareholder of the Company.

Mr. Chang does not have interests in the Shares of the Company within the meaning of Part XV of the SFO. In addition, there is no service contract between the Company and Mr. Chang. The emoluments of the Directors are determined by the Board with reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions. Mr. Chang received a sum of HK\$150,000 being remuneration in respect of his directorship in the Company for the year ended 31 December 2007.

In relation to the re-election of Mr. Chang as director, there is no information to be disclosed pursuant to any of the requirements of rules 13.51(2)(h) to 13.51(2)(v) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Save as disclosed above, there are not any other matters that need to be brought to the attention of the Shareholders.

Mr. Ng Wing Hang Patrick, aged 55, is an Independent Non-executive Director of the Company. He is a practising Certified Public Accountant in Hong Kong and is the Managing Director of NCN CPA Limited, a certified public accountants firm in Hong Kong. He also serves as an Independent Non-executive Director of Dynamic Energy Holdings Limited and Far East Hotels and Entertainment Limited. Mr. Ng was an Independent Non-executive Director of Ever Fortune International Holdings Limited, M Dream Inworld Limited and China WindPower Group Limited until he resigned on 6 September 2005, 22 May 2006 and 6 December 2006 respectively.

Save as disclosed above, Mr. Ng did not hold any other directorship in listed public company in the last three years.

Mr. Ng does not have any relationship with any other Director, senior management, controlling shareholder or substantial shareholder of the Company.

Mr. Ng does not have interests in the Shares of the Company within the meaning of Part XV of the SFO. In addition, there is no service contract between the Company and Mr. Ng. The emoluments of the Directors are determined by the Board with reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions. Mr. Ng received a sum of HK\$300,000 being remuneration in respect of his directorship in the Company for the year ended 31 December 2007.

In relation to the re-election of Mr. Ng as director, there is no information to be disclosed pursuant to any of the requirements of rules 13.51(2)(h) to 13.51(2)(v) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Save as disclosed above, there are not any other matters that need to be brought to the attention of the Shareholders.

Mr. Zhuo Fumin, aged 56, is an Independent Non-executive Director of the Company. He graduated from Shanghai Jiaotong University's Electrical Engineering School and holds a Master's Degree in Economics conferred by Fudan University. Mr. Zhuo has more than 32 years of experience in running joint stock companies and in corporate management and has extensive capital market experience. Mr. Zhuo currently serves as a General Partner in SIG Capital Limited and as the Managing Partner in GGV Capital. He also serves as an Independent Director of China Enterprise Company Limited, a company listed on Shanghai Stock Exchange and Focus Media Holding Ltd, a company listed on the NASDAQ Stock Market. He was a Chairman of SIIC Medical Science and Technology (Group) Limited, the Vice Chairman and an Executive Director of Shanghai Industrial Holdings Limited, a Non-executive Director of Imagi International Holdings Limited as well as the Chairman and Chief Executive Officer of Vertex China Investment Limited until he resigned on 25 January 2002, 30 June 2002, 8 April 2004 and 30 June 2005 respectively.

Save as disclosed above, Mr. Zhuo did not hold any other directorship in listed public company in the last three years.

Mr. Zhuo does not have any relationship with any other Director, senior management, controlling shareholder or substantial shareholder of the Company.

Mr. Zhuo does not have interests in the Shares of the Company within the meaning of Part XV of the SFO. In addition, there is no service contract between the Company and Mr. Zhuo. The emoluments of the Directors are determined by the Board with reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions. Mr. Zhuo received a sum of HK\$300,000 being remuneration in respect of his directorship in the Company for the year ended 31 December 2007.

In relation to the re-election of Mr. Zhuo as director, there is no information to be disclosed pursuant to any of the requirements of rules 13.51(2)(h) to 13.51(2)(v) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Save as disclosed above, there are not any other matters that need to be brought to the attention of the Shareholders.

GENERAL MANDATE TO ISSUE SHARES

At the Annual General Meeting, it will be proposed that the Directors be granted a general mandate to allot, issue and deal with Shares not exceeding 20 per cent of the issued share capital of the Company as at the date when the relevant ordinary resolution is passed. As such, the maximum number of Shares which may be issued pursuant to the General Mandate will be 106,151,825. The total number of Shares subject to the General Mandate will be increased by the addition thereto of any Shares repurchased by the Company under the proposed Repurchase Mandate.

REPURCHASE MANDATE

The Repurchase Mandate will enable the Directors to exercise all the powers of the Company to repurchase its own Shares at any time until the earlier of the conclusion of the next annual general meeting (unless the mandate is renewed at such meeting), the expiration of the period within which the next annual general meeting is required by the Articles of Association or by law to be held, and the revocation or variation of the authority given under the Repurchase Mandate by an ordinary resolution of Shareholders in general meeting. The total number and description of Shares which may be repurchased pursuant to the Repurchase Mandate is limited to a maximum of 10 per cent of the issued share capital of the Company as at the date when the Repurchase Mandate is granted.

Exercise of The Repurchase Mandate

As at the Latest Practicable Date, the issued share capital of the Company was 530,759,126 Shares.

Subject to the passing of the ordinary resolution to approve the Repurchase Mandate, and on the basis that no further Shares will be issued or repurchased prior to the Annual General Meeting, the Company would be allowed under the Repurchase Mandate to purchase a maximum of 53,075,912 Shares.

Reasons for Repurchases

The Directors believe that it is in the best interests of the Company and the Shareholders to have a general authority from Shareholders to enable the Directors to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share of the Company and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

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. It is envisaged that the funds required for any repurchase would be derived from the distributable profits of the Company.

The Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Group or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Group. However, there might be a material adverse impact on the working capital requirements of the Company (as compared with the position disclosed in its latest published audited consolidated financial statements) in the event that the Repurchase Mandate is exercised in full.

Share Prices

The highest and lowest prices at which the Shares have been traded on the Stock Exchange in the previous twelve months from 1 April 2007 to 31 March 2008 and up to the Latest Practicable Date were as follows:

Share Price	Highest <i>(HK\$)</i>	Lowest <i>(HK\$)</i>
2007		
April	2.90	2.24
May	8.04	2.56
June	8.30	5.80
July	7.85	6.50
August	14.40	4.40
September	16.20	11.96
October	18.00	12.68
November	15.78	8.25
December	9.80	6.20
2008		
January	9.59	5.30
February	7.66	5.58
March	7.45	4.00
April (up to the Latest Practicable Date)	6.85	5.22

Disclosure of Interests

- (a) As at the Latest Practicable Date, the following interests of 5% or more of the issued Shares were recorded in the register kept by the Company pursuant to Sections 336(1) and (2) of the SFO:

Name of Shareholder	Number of Shares held	
	Direct	Indirect
Shenyin Wanguo Holdings (B.V.I.) Limited	268,334,875	–
Venture-Some Investments Limited	–	268,334,875*
Shenyin Wanguo (H.K.) Holdings Limited	2,045,000	268,334,875*
Shenyin & Wanguo Securities Co., Ltd.	–	268,334,875*

* These companies had interests in 268,334,875 Shares by virtue of their equity interests in Shenyin Wanguo Holdings (B.V.I.) Limited.

Save for the foregoing Shareholders, as at the Latest Practicable Date, no other person or company was recorded in the register kept by the Company pursuant to Sections 336(1) and (2) of the SFO as having an interest in 5% or more of the issued Shares and short positions.

- (b) None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their associates (as defined in the Listing Rules) has any present intention to sell Shares to the Company in the event that the Repurchase Mandate is approved by the Shareholders.
- (c) No connected persons (as defined in the Listing Rules) of the Company have notified the Company that they have a present intention to sell the Shares to the Company, or have undertaken not to do so in the event that the Repurchase Mandate is approved by the Shareholders.

Directors' Undertaking

The Directors have undertaken to the Stock Exchange that they will exercise the Repurchase Mandate in accordance with the Listing Rules and the laws of Hong Kong.

Share Repurchases made by the Company

No repurchases of the Shares were made by the Company, whether on the Stock Exchange or otherwise, in the previous six months.

Takeovers Code Consequences

If, as a result of a repurchase of the Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. As a result, a Shareholder, or a 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.

In the event that the Repurchase Mandate is exercised in full, the same block of interests of Shenyin Wanguo Holdings (B.V.I.) Limited, Venture-Some Investments Limited and Shenyin & Wanguo Securities Co., Ltd. in the issued Shares would rise to approximately 56.17% as compared with 50.56% as at the Latest Practicable Date and the interest of Shenyin Wanguo (H.K.) Holdings Limited would increase from 50.94% to 56.6% approximately. Therefore, none of the aforesaid Shareholders shall by themselves be subject to any obligations under Rule 26 of the Takeovers Code. The Directors are not aware of any Shareholder, or any group of Shareholders acting in concert, who may become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code in the event that the Directors exercise the power to repurchase Shares pursuant to the Repurchase Mandate.

ANNUAL GENERAL MEETING

Set out on pages 11 to 14 of this circular is the notice convening the Annual General Meeting at which ordinary resolutions will be proposed to approve the re-election of the retiring Directors, to grant to the Directors the general mandates to issue and repurchase shares.

RIGHT TO DEMAND A POLL

Pursuant to Article 75 of the Articles of Association, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:

- (a) by the Chairman of the meeting; or
- (b) by at least three members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (c) by any member or members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (d) by a member or members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Unless a poll be so demanded and not withdrawn, a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour or against such resolution.

RECOMMENDATION

The Directors believe that the re-election of Directors, the General Mandate and the Repurchase Mandate are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend that all Shareholders should vote in favour of all the relevant resolutions to be proposed in the Annual General Meeting as they intend to do themselves in respect of the Shares controlled by them.

Yours faithfully,
On behalf of the Board
Feng Guorong
Chairman

NOTICE OF ANNUAL GENERAL MEETING



SHENYIN WANGUO (H.K.) LIMITED

申銀萬國（香港）有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 218)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the members of Shenyin Wanguo (H.K.) Limited (the “Company”) will be held at the Dragon Room, The Hong Kong Bankers Club at 43rd Floor, Gloucester Tower, The Landmark, 11 Pedder Street, Central, Hong Kong, on Friday, 16 May 2008 at 9:00 a.m. for the following purposes:

1. To receive and consider the Audited Consolidated Financial Statements and the Reports of Directors and Independent Auditors for the year ended 31 December 2007;
2. To declare a final dividend and a special dividend;
3. To re-elect Directors and authorize the Board of Directors to fix their remuneration;
4. To re-appoint Auditors and authorize the Board of Directors to fix their remuneration;
5. As special business to consider and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

“THAT:

- (a) subject to sub-paragraph (c) of this Resolution, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue or otherwise deal with additional shares or securities convertible into shares, or options, warrants or similar rights to subscribe for any shares, and to make or grant offers, agreements and options which would or might require the exercise of such powers, be and is hereby generally and unconditionally approved;
- (b) the approval in sub-paragraph (a) of this Resolution shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such powers after the end of the Relevant Period;

NOTICE OF ANNUAL GENERAL MEETING

- (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 sub-paragraph (a) of this Resolution, otherwise than pursuant to:
- (i) a Rights Issue (as hereinafter defined);
 - (ii) the exercise of rights of subscription or conversions attaching to any warrants issued by the Company or any securities which are convertible into shares;
 - (iii) any option scheme or similar arrangements for the time being adopted for the grant or issue to officers and/or employees of the Company and/or its subsidiaries of shares or rights to acquire shares of the Company; or
 - (iv) any scrip dividend scheme or similar arrangements providing for the allotment of shares of the Company in lieu of the whole or a part of a dividend on such shares in accordance with the Articles of Association of the Company;

shall not exceed 20 per cent of the aggregate nominal value of the share capital of the Company in issue at the date of the passing of this Resolution, and this approval shall be limited accordingly; and

- (d) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier 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 applicable law to be held; and
- (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders of the Company in general meeting.

“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 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 recognized regulatory body or any stock exchange in any territory applicable to the Company).”

NOTICE OF ANNUAL GENERAL MEETING

6. As special business to consider and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

“THAT:

- (a) subject to sub-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 shares of HK\$0.50 each in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchange on which the securities of the Company may be listed and is recognized by the Securities and Futures Commission and the Stock Exchange for this purpose, in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company to be repurchased by the Company pursuant to the approval in sub-paragraph (a) above 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 of this Resolution, and the said approval shall be limited accordingly; and
- (c) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier 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 applicable law to be held; and
- (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders of the Company in general meeting.”

NOTICE OF ANNUAL GENERAL MEETING

7. As special business to consider and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

“**THAT** conditional upon the passing of Ordinary Resolutions 5 and 6, the general mandate granted to the Directors of the Company to exercise the power of the Company to allot, issue and deal with shares pursuant to Ordinary Resolution 5 set out in the notice convening this Meeting be and is hereby extended by the addition thereto 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 Ordinary Resolution 6 set out in the notice convening this Meeting, provided that such amount shall not exceed 10 per cent of the aggregate nominal amount of the issued share capital of the Company at the date of passing of this Ordinary Resolution.”

By order of the Board
Wong Che Keung Leslie
Company Secretary

Hong Kong, 23 April 2008

As at the date of this notice, the Board of the Company comprises 10 directors, of which Mr. Feng Guorong, Mr. Lu Wenqing, Mr. Lee Man Chun Tony, Mr. Guo Chun and Mr. Ying Niankang are the executive directors of the Company, Mr. Chang Pen Tsao and Mr. Huang Gang are the non-executive directors of the Company, Mr. Ng Wing Hang Patrick, Mr. Kwok Lam Kwong Larry and Mr. Zhuo Fumin are the independent non-executive directors of the Company.

Notes:

1. The register of members of the Company will be closed from Tuesday, 13 May 2008 to Friday, 16 May 2008, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend and special dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Registrars, Tricor Tengis Limited, at 26/F Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 9 May 2008.
2. A member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and on a poll, vote on his behalf and such proxy need not be a member of the Company.
3. In order to be valid, a form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of the power of attorney or authority, must be deposited at the registered office of the Company not later than 48 hours before the time appointed for holding the meeting (or the adjourned meeting as the case may be).
4. Concerning Ordinary Resolutions 5 to 7, the directors wish to state that they have no immediate plans to issue any new shares of the Company or repurchase any existing shares of the Company.
5. An explanatory statement as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in connection with the proposed repurchase mandate under Ordinary Resolution 6 above is set out on pages 6 to 9 of this circular.