
THE 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 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 or transferred all your shares in Phoenix Satellite Television Holdings Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or the 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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鳳凰衛視

PHOENIX SATELLITE TELEVISION HOLDINGS LIMITED

鳳凰衛視控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8002)

PROPOSED GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES, PROPOSED RE-ELECTION OF DIRECTORS AND NOTICE OF ANNUAL GENERAL MEETING

A notice convening the annual general meeting of the Company to be held at 9th Floor, One Harbourfront, 18-22 Tak Fung Street, Hunghom, Kowloon, Hong Kong on Thursday, 21 June 2007 at 3:00p.m. is set out on pages 12 to 15 of this circular. A form of proxy is also enclosed. Whether or not you are able to attend the annual general meeting in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not later than 48 hours before the time of the meeting or any adjourned meeting. Completion and return of the form of proxy will not preclude you from subsequently attending and voting in person at the annual general meeting or any adjourned meeting should you so wish.

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 Growth Enterprise Market of the Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this circular is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this circular misleading; and (iii) 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.

This circular will remain on the “Latest Company Announcements” page of the GEM website at <http://www.hkgem.com> for at least 7 days from the date of its posting.

14 May 2007

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE

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 a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board 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. 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 in order to obtain up-to-date information on GEM-listed issuers.

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held to approve the proposed general mandates to issue Shares and to repurchase Shares, the proposed re-election of Directors as well as other matters on 21 June 2007
“Annual Report 2006”	the audited consolidated financial statements and the reports of the directors and auditors for the year ended 31 December 2006
“Articles of Association”	the existing articles of association of the Company
“Company”	Phoenix Satellite Television Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on GEM
“Directors”	the directors of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Issue Mandate”	has the meaning ascribed to such term in the section headed “General Mandates” in the Letter from the Board in this circular
“Latest Practicable Date”	11 May 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“PRC”	the People’s Republic of China, which for the purpose of this circular, shall exclude Hong Kong, the Macau Special Administrative Region and Taiwan
“Repurchase Mandate”	has the meaning ascribed to such term in the section headed “General Mandates” in the Letter from the Board in this circular

DEFINITIONS

“Shares”	ordinary shares of HK\$0.10 each in the issued share capital of the Company
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers
“Today’s Asia”	Today’s Asia Limited, a company holding 37.50% interest in the Company as at the Latest Practicable Date, with 93.3% and 6.7% of its issued share capital beneficially owned by Mr. LIU Changle, the Chairman of the Company and Mr. CHAN Wing Kee respectively
“%”	per cent.

LETTER FROM THE BOARD



鳳凰衛視

PHOENIX SATELLITE TELEVISION HOLDINGS LIMITED
鳳凰衛視控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8002)

Executive Directors:

LIU Changle (*Chairman*)
CHUI Keung
WANG Jiyan

Non-executive Directors:

LU Xiangdong
GAO Nianshu
Paul Francis AIELLO
LAU Yu Leung John
GONG Jianzhong

Independent non-executive Directors:

LO Ka Shui
LEUNG Hok Lim
Thaddeus Thomas BECZAK

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Principal Place of Business:

9th Floor, One Harbourfront
18-22 Tak Fung Street
Hung Hom
Kowloon
Hong Kong

14 May 2007

To the Shareholders

Dear Sir or Madam,

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

INTRODUCTION

The purpose of this circular is to provide you with information regarding the resolutions to be proposed at the AGM involving (1) the general mandates to allot, issue and deal with additional Shares and to repurchase Shares; and (2) the re-election of Directors.

LETTER FROM THE BOARD

GENERAL MANDATES

At the annual general meeting of the Company held on 22 June 2006, the then Shareholders passed resolutions granting general mandates to the Directors to allot, issue and deal with and repurchase Shares respectively. These general mandates will lapse at the conclusion of the AGM. Resolutions will therefore be proposed at the AGM to be held at 9th Floor, One Harbourfront, 18-22 Tak Fung Street, Hunghom, Kowloon, Hong Kong on 21 June 2007 to renew the grant of these general mandates. The relevant resolutions, in summary, are:

- an ordinary resolution to give the Directors a general and unconditional mandate to allot, issue and deal with additional securities of the Company (including, inter alia, offers, agreements, options, warrants or similar rights in respect thereof) not exceeding 20% of the aggregate nominal value of the Company's issued share capital as at the date of passing the relevant resolution for the period from the close of the AGM until the conclusion of the next annual general meeting of the Company (or such earlier period as stated in the resolution) (the "Issue Mandate");
- an ordinary resolution to give the Directors a general and unconditional mandate to exercise all the powers of the Company to repurchase such number of Shares not exceeding 10% of the aggregate nominal value of the Company's issued share capital as at the date of passing the relevant resolution for the period from the close of the AGM until the conclusion of the next annual general meeting of the Company (or such earlier period as stated in the resolution) (the "Repurchase Mandate"); and
- conditional on the passing of the resolutions to grant the Issue Mandate and the Repurchase Mandate, an ordinary resolution to authorise the Directors to exercise the powers to allot, issue and deal with additional securities under the Issue Mandate by adding those Shares repurchased by the Company pursuant to the Repurchase Mandate.

The explanatory statement providing the requisite information regarding the Repurchase Mandate as required to be sent to the Shareholders under the GEM Listing Rules is set out in Appendix I to this circular.

RE-ELECTION OF RETIRING DIRECTORS

In accordance with Article 87 of the Articles of Association, Mr. CHUI Keung (executive Director and deputy chief executive officer of the Company) and Mr. LEUNG Hok Lim (independent non-executive Director) shall retire by rotation at the AGM and, being eligible, offer themselves for re-election at the AGM. Particulars of each of the retiring Directors as required to be disclosed pursuant to Rule 17.50(2) of the GEM Listing Rules are set out in Appendix II to this circular.

LETTER FROM THE BOARD

ANNUAL GENERAL MEETING

A notice of the AGM is set out on pages 12 to 15 of this circular. At the AGM, in addition to the ordinary businesses of the meeting, resolutions nos. 5 to 7 will be proposed to approve the general mandates for the issue and repurchase of Shares as special businesses.

A copy of the Annual Report 2006 has been despatched to all the Shareholders on 27 March 2007.

A form of proxy for the AGM is also enclosed. Whether or not you intend to be present at the AGM, you are requested to complete the form of proxy and return it to the branch share registrar of the Company, Hong Kong Registrars Limited at Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time fixed for the meeting. The completion of a form of proxy will not preclude you from attending and voting at the meeting in person.

RIGHT TO DEMAND A POLL

Pursuant to Articles 66, 66A and 67 of the Articles of Association, 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 the chairman of such 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 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 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 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 shares conferring that right.

LETTER FROM THE BOARD

Notwithstanding any other provisions in these Articles, if the chairman of a particular meeting and/or the Directors individually or collectively hold proxies in respect of shares holding five (5) per cent. or more of the total voting rights at that meeting, and if on a show of hands in respect of any resolution, the meeting votes in the opposite manner to that instructed in those proxies, the chairman of the meeting and/or any Director holding proxies as aforesaid shall demand a poll, unless it is apparent from the total proxies held by those persons that a vote taken on a poll will not reverse the vote taken on a show of hands. If a poll is required under such circumstances, the chairman of the meeting should disclose to the meeting the total number of votes represented by all proxies held by Directors indicating an opposite vote to the votes cast at the meeting on a show of hands.

RECOMMENDATION

The Directors are of the opinion that the proposals referred to above are in the best interests of the Company and the Shareholders as a whole and therefore recommend the Shareholders to vote in favour of the resolutions to be proposed at the AGM.

Yours faithfully,
On behalf of the Board
Phoenix Satellite Television Holdings Limited
LIU Changle
Chairman

This is the explanatory statement required by Rule 13.08 of the GEM Listing Rules to be given to all the Shareholders relating to a resolution to be proposed at the AGM authorising the Repurchase Mandate.

1. EXERCISE OF THE REPURCHASE MANDATE

Exercise in full of the Repurchase Mandate, on the basis of 4,943,684,000 Shares in issue as at the Latest Practicable Date and assuming no further Shares will be issued or repurchased by the Company before the AGM, could result in up to 494,368,400 Shares being repurchased by the Company during the period from the passing of the resolution relating to the Repurchase Mandate up to 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 or any applicable laws to be held; and (iii) the revocation, variation or renewal of the Repurchase Mandate by ordinary resolution of the Shareholders in general meeting.

2. REASONS FOR REPURCHASES

Repurchases of Shares will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or its earnings per Share.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Articles of Association and the applicable laws of the Cayman Islands.

4. GENERAL

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the latest published audited accounts as contained in the Annual Report 2006) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or on the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. DIRECTORS AND CONNECTED PERSONS

As at the Latest Practicable Date, to the best knowledge of the Directors having made all reasonable enquiries, none of the Directors and their respective associates has a present intention, in the event that the Repurchase Mandate is approved and exercised, to sell Shares to the Company. No connected persons have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, in the event that the Repurchase Mandate is approved and exercised.

6. UNDERTAKING

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

7. TAKEOVERS CODE

If as a result of a 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 the Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholder's interests, 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, Today's Asia which is a substantial shareholder of the Company, was interested in 1,854,000,000 Shares representing approximately 37.50% of the issued share capital of the Company. Subject to the granting of a waiver from the Executive Director of the Corporate Finance Division of the Securities and Futures Commission, any increase in shareholdings in the Company which is outside the 2% creeper as specified in Rule 26.1 of the Takeovers Code will give rise to an obligation to make a mandatory offer for the Company under Rule 26 of the Takeovers Code. In the event that the Directors should exercise in full the power to repurchase Shares under the Repurchase Mandate (if so approved), the shareholdings of Today's Asia in the Company would be increased to approximately 41.67% of the issued share capital of the Company. If so, this may give rise to an obligation on Today's Asia to make a mandatory offer under Rule 26 of the Takeovers Code.

However, the Directors have no present intention to exercise the Repurchase Mandate to such an extent as would result in any takeover obligation.

8. SHARE REPURCHASES MADE BY THE COMPANY

No repurchases of Shares have been made by the Company (whether on GEM or otherwise) in the six months immediately preceding the Latest Practicable Date.

9. SHARE PRICES

The highest and lowest prices at which the Shares were traded on GEM during each of the previous twelve months up to the Latest Practicable Date were as follows:

	Highest <i>(HK\$)</i>	Lowest <i>(HK\$)</i>
2006		
May	1.44	1.18
June	1.52	1.17
July	1.28	1.12
August	1.19	1.12
September	1.26	1.15
October	1.20	1.03
November	1.18	1.10
December	1.44	1.13
2007		
January	1.49	1.28
February	1.59	1.36
March	1.49	1.25
April	1.42	1.25
May (up to the Latest Practicable Date)	1.39	1.27

The details of the retiring Directors proposed to be re-elected at the AGM are set out as follows:

Mr. CHUI Keung, aged 55, appointed on 5 June 2000, is an executive Director and deputy chief executive officer of the Company and also a director of various subsidiaries of the Company. Mr. CHUI graduated from the department of journalism of Fudan University in Shanghai and served in the China Central People's Radio Station for over 10 years. Since the establishment of the Group on 31 March 1996, he has been in charge of the overall daily operations, the public relations and promotion strategies of the Group, and the coordination of the relationships with PRC government entities. He also assists in establishing and implementing the corporate development strategies of the Group. Throughout the term of office with the Group, Mr. CHUI has been instrumental in the Group's PRC domestic business development, programme production, advertising operation, marketing network and public relations. Prior to joining the Group, Mr. CHUI was a director and the general manager of Tianhua International Culture and Art Company Limited in Beijing focusing on developing various cultural, arts and publication businesses.

Save as disclosed above, Mr. CHUI has not previously held and is not holding any other position with the Group. Save as disclosed above, Mr. CHUI does not hold any other directorships in any listed public companies in the last three years and other major appointments and qualifications. Save as disclosed above, he does not have any relationships with any directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company for the purpose of the GEM Listing Rules. As at the Latest Practicable Date, Mr. CHUI is interested in share options granted by the Company for 3,990,000 underlying Shares representing approximately 0.08% of the issued share capital of the Company. Save as disclosed above, Mr. CHUI is not interested in any Shares within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong.

Mr. CHUI has been appointed as executive Director for a term of three years commenced from 1 July 2006 subject to rotation and re-election in accordance with the Articles of Association. Mr. CHUI has received emoluments of approximately HK\$3,827,000 for the year ended 31 December 2006 as an executive Director including an annual salary of HK\$1,974,000, discretionary bonuses of HK\$700,000 and an annual housing allowance of HK\$971,000. The emoluments of Mr. CHUI are determined by the Board with reference to his duties in the Group, previous experience and the industry and market conditions.

Save as disclosed above, the Board is not aware of any other matters in relation to the re-election of Mr. CHUI as executive Director that need to be brought to the attention of the Shareholders and there is no information relating to Mr. CHUI that is required to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules.

Mr. LEUNG Hok Lim, aged 72, has been appointed as an independent non-executive Director since 21 January 2005. He is a fellow member of CPA Australia, a member of the Macau Society of Certified Practising Accountants, a fellow member of the Hong Kong Institute of Certified Public Accountants and a fellow member of The Taxation Institute of Hong Kong. Mr. LEUNG is the founding and senior partner of PKF, Accountants and Business Advisers. Mr. LEUNG obtained his fellowship with Hong Kong Institute of Certified Public Accountants in 1973. He is a non-executive director of Beijing Hong Kong Exchange of Personnel Centre Limited. Mr. LEUNG is the independent non-executive director of a number of listed companies namely YangtzeKiang Garment Limited, YGM Trading Limited, S E A Holdings Limited, Bright International Group Limited, Fujian Holdings Limited and High Fashion International Limited.

Save as disclosed above, Mr. LEUNG has not previously held and is not holding any other position with the Group. Save as disclosed above, Mr. LEUNG does not hold any other directorships in any listed public companies in the last three years and other major appointments and qualifications. Save as disclosed above, he does not have any relationships with any directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company for the purpose of the GEM Listing Rules. As at the Latest Practicable Date, Mr. LEUNG does not have any interest in the Shares within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong.

There is no service contract entered into between the Company and Mr. LEUNG. Mr. LEUNG is not appointed for a specific term and is subject to retirement by rotation and re-election in accordance with the provision of the Articles of Association. Mr. LEUNG is entitled to a director's fee of HK\$200,000 per annum, which is determined based on the estimated time to be spent by him on the Company's matters.

Save as disclosed above, the Board is not aware of any other matters in relation to the re-election of Mr. LEUNG as independent non-executive Director that need to be brought to the attention of the Shareholders and there is no information relating to Mr. LEUNG that is required to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING



鳳凰衛視

PHOENIX SATELLITE TELEVISION HOLDINGS LIMITED 鳳凰衛視控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8002)

NOTICE IS HEREBY GIVEN that the annual general meeting of Phoenix Satellite Television Holdings Limited (the “Company”) will be held at 9th Floor, One Harbourfront, 18-22 Tak Fung Street, Hungghom, Kowloon, Hong Kong on Thursday, 21 June 2007 at 3:00 p.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements and the reports of the directors of the Company (the “Directors”) and auditors for the year ended 31 December 2006;
2. To declare a final dividend of HK\$0.014 per share for the year ended 31 December 2006;
3. To re-elect the retiring Directors and to authorise the board of Directors (the “Board”) to fix their remuneration;
4. To re-appoint the auditors of the Company and to authorise the Board to fix their remuneration;
5. To consider as special business, and if thought fit, pass with or without amendments the following resolution as an ordinary resolution:

“THAT:

- (A) subject to paragraph (C) of this resolution, the Board be and is hereby granted an unconditional general mandate to exercise during the Relevant Period (as defined in paragraph (D) of this resolution) all the powers of the Company to allot, issue and deal with additional shares of HK\$0.10 each in the capital of the Company (the “Shares”) or securities convertible or exchangeable into Shares, and to make or grant offers, agreements, options, warrants or similar rights in respect thereof;
- (B) the mandate referred to in paragraph (A) shall authorise the Board during the Relevant Period to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such power after the end of the Relevant Period;

NOTICE OF ANNUAL GENERAL MEETING

- (C) the aggregate nominal amount of share capital allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted or issued or dealt with (whether pursuant to options or otherwise) by the Board pursuant to the mandate referred to in paragraph (A) above, otherwise than pursuant to:
- (i) a Rights Issue (as hereinafter defined); or
 - (ii) the exercise of the subscription rights under options granted under the share option scheme of the Company or any other option scheme or similar arrangement for the time being adopted by the Company for the grant or issue of Shares or rights to subscribe for Shares; or
 - (iii) any scrip dividend or similar arrangement providing for the allotment and issue of Shares or other securities of the Company in lieu of the whole or part of a dividend on Shares in accordance with the Articles of Association of the Company; or
 - (iv) any issue of Shares pursuant to the exercise of rights of subscription or conversion under the terms of any existing warrants, bonds, debentures, notes and other securities of the Company which carry rights to subscribe for or are convertible into Shares shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution and the said approval in paragraph (A) shall be limited accordingly;
- (D) for the purposes of this resolution:

“Relevant Period” means the period from the date of passing 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 the Articles of Association of the Company or any applicable laws to be held; or
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of Shares, or an offer of warrants, options or other securities of the Company giving rights to subscribe for Shares, open for a period fixed by the Board to holders of Shares on the register of members on a fixed record date in proportion to their then holdings of such Shares as at that date (subject to such exclusions or other arrangements as the Board 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. To consider as special business, and if thought fit, pass with or without amendments the following resolution as an ordinary resolution:

“THAT:

- (A) subject to paragraph (B) of this resolution, the exercise by the Board of all the powers of the Company during the Relevant Period to repurchase Shares be and is hereby generally and unconditionally approved;
 - (B) the aggregate nominal amount of Shares which may be repurchased by the Company on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchange recognized for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange under the Hong Kong Code on Share Repurchases pursuant to the approval in 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 this resolution and the said approval shall be limited accordingly; and
 - (C) the expression “Relevant Period” shall for the purpose of this resolution have the same meaning as assigned to it under ordinary resolution 5(D) of this notice.”
7. To consider as special business, and if thought fit, pass with or without amendments the following resolution as an ordinary resolution:

“THAT conditional upon the passing of resolutions nos. 5 and 6 set out in this notice, of which this resolution forms part, the aggregate nominal amount of share capital of the Company that may be allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with by the Board pursuant to and in accordance with the mandate granted under resolution no. 5 be and is hereby increased and extended by the addition thereto of the aggregate nominal amount of Shares repurchased by the Company pursuant to and in accordance with the mandate granted under resolution no. 6, provided that such 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.”

By Order of the Board
YEUNG Ka Keung
Company Secretary

Hong Kong, 14 May 2007

NOTICE OF ANNUAL GENERAL MEETING

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint proxies to attend and vote instead of him. A proxy need not be a member of the Company.
2. In order to be valid, the instrument appointing a proxy and 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 lodged at the Company's branch share registrar in Hong Kong, Hong Kong Registrars Limited at Rooms 1806-1807, 18th 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 the adjourned meeting as the case may be).
3. Where there are joint holders of any Share, any one of such joint holders may vote, either in person or by proxy, in respect of such Shares as if he/she were solely entitled thereto, but if more than one of such joint holders present at the meeting personally or by proxy, the most senior shall alone be entitled to vote, whether in person or by proxy, and for this purpose, seniority shall be determined by the order in which the names stand in the register of members in respect of joint holding.
4. The register of members of the Company will be closed from Monday, 18 June 2007 to Thursday, 21 June 2007, both days inclusive, during which period no transfer of Shares will be effected. All transfer documents accompanied by the relevant share certificates must be lodged with the Hong Kong Registrars Limited at Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on Friday, 15 June 2007.
5. A form of proxy for use at the meeting is enclosed.