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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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

**If you have sold** all your shares in **DENWAY MOTORS LIMITED**, you should at once hand this circular, the 2007 annual report and the accompanying proxy form to the purchaser or to the bank, licensed securities dealer 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 circular, 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 circular.

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**DENWAY MOTORS LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 203)**

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

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The notice convening an annual general meeting of Denway Motors Limited to be held at Ballroom, Level 3, JW Marriott Hotel (Hong Kong), Pacific Place, 88 Queensway, Hong Kong on Thursday, 29 May 2008 at 11:00 a.m. together with the proxy form for use at the annual general meeting are contained in this circular. Shareholders are advised to read the notice and to complete and return the proxy form for use at the annual general meeting enclosed with this circular in accordance with the instructions printed thereon and return the same to the Company's Registrars, Tricor Abacus Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the annual general meeting or adjournment thereof (as the case may be). Completion of the proxy form will not preclude the shareholders from attending and voting at the meeting if they so wish.

Hong Kong, 22 April 2008

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## DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at Ballroom, Level 3, JW Marriott Hotel (Hong Kong), Pacific Place, 88 Queensway, Hong Kong on Thursday, 29 May 2008 at 11:00 a.m., notice of which is contained in this circular
“AGM Notice”	the notice dated 22 April 2008 convening the AGM as set out on pages 12 to 15 of this circular
“Articles of Association”	the articles of association of the Company
“Board”	the board of directors of the Company
“Company”	Denway Motors Limited, a company incorporated in Hong Kong with limited liability under the Companies Ordinance, the shares of which are listed on the Main Board of the Stock Exchange
“Directors”	the directors of the Company
“Latest Practicable Date”	16 April 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Repurchase Proposal”	the proposal to give a general mandate to the Directors to exercise the powers of the Company to repurchase during the period as set out in the Repurchase Resolution Shares up to a maximum of 10% of the issued share capital of the Company at the date of the Repurchase Resolution
“Repurchase Resolution”	the proposed ordinary resolution as referred to in item 5 of the AGM Notice
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Share Repurchase Rules”	the relevant rules set out in the Listing Rules to regulate the repurchase by companies with primary listing on the Stock Exchange of their own securities on the Stock Exchange

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## DEFINITIONS

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“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“\$”	Hong Kong dollar
“%”	Per Cent

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LETTER FROM THE BOARD

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**DENWAY MOTORS LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 203)**

**Directors:**

*Executive Directors:*

Mr. Zhang Fangyou (*Chairman*)  
Mr. Lu Zhifeng (*Vice Chairman*)  
Mr. Yang Dadong  
Mr. Zeng Qinghong  
Mr. Zhang Baoqing (*Managing Director*)  
Mr. Fu Shoujie

**Registered Office:**

Room 801, Citicorp Centre,  
18 Whitfield Road,  
Causeway Bay,  
Hong Kong.

*Independent Non-Executive Directors:*

Mr. Cheung Doi Shu  
Mr. Lee Ka Lun  
Mr. Fung Ka Pun

**Company Secretary:**

Mr. Leung Chong Shun

22 April 2008

*To the shareholders*

Dear Sir and Madam,

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

**GENERAL MANDATES TO REPURCHASE SHARES AND TO ISSUE SHARES**

At the annual general meeting of the Company held on 6 June 2007, resolutions of the Shareholders were passed, amongst other things, giving general unconditional mandates to the Directors to exercise the powers of the Company to:

- (1) repurchase Shares representing up to 10% of the issued share capital of the Company as at that date;
- (2) allot, issue and deal with Shares not exceeding 20% of the issued share capital of the Company as at that date; and

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## LETTER FROM THE BOARD

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- (3) extend the general mandate for issuing Shares as mentioned in paragraph (2) above by an amount representing the aggregate nominal amount of any Shares repurchased by the Company pursuant to the general mandate to repurchase Shares as mentioned in paragraph (1) above.

The above general mandates shall lapse at the conclusion of the AGM. It is therefore proposed to seek your approval of the Repurchase Resolution to be proposed at the AGM to give a fresh general mandate to the Directors to exercise the powers of the Company to repurchase Shares up to 10% of the issued share capital of the Company as at the date of passing the Repurchase Resolution. An explanatory statement as required under the Share Repurchase Rules to provide the requisite information of the Repurchase Resolution is set out in the Appendix I hereto.

It will also be proposed at the AGM two ordinary resolutions, namely ordinary resolutions in items 6 and 7 of the AGM Notice, respectively granting to the Directors a general mandate to allot, issue and deal with Shares not exceeding 20% of the issued share capital of the Company as at the date of the Ordinary Resolution in item 6 of the AGM Notice (i.e. not exceeding 1,503,739,706 Shares based on the issued share capital of the Company of 7,518,698,534 shares as at the Latest Practicable Date and assuming that such issued share capital remains the same as at the date of passing the resolution) and adding to such general mandate so granted to the Directors any Shares representing the aggregate nominal amount of the Shares repurchased by the Company after the granting of the general mandate to repurchase up to 10% of the issued share capital of the Company as at the date of the Repurchase Resolution.

### RE-ELECTION OF RETIRING DIRECTORS

The Board currently consists of nine Directors, namely Messrs. Zhang Fangyou, Lu Zhifeng, Yang Dadong, Zeng Qinghong, Zhang Baoqing, Fu Shoujie, Cheung Doi Shu, Lee Ka Lun and Fung Ka Pun.

Pursuant to the Articles of Association, Messrs. Zhang Baoqing, Fu Shoujie, Lee Ka Lun and Fung Ka Pun shall retire from office at the AGM and being eligible, shall offer themselves for re-election. Details of the Directors proposed to be re-elected at the AGM are set out in Appendix II to this circular.

### ANNUAL GENERAL MEETING

The AGM Notice, which contains, inter alia, ordinary resolutions to approve the Repurchase Proposal, the general mandate for Directors to issue new Shares and re-election of retiring Directors together with the proxy form for use at the AGM are set out in pages 12 to 15 of this circular. Shareholders are advised to read the AGM Notice and to complete and return the proxy form for use at the AGM enclosed with this circular in accordance with the instructions printed thereon.

At the AGM, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is taken as may from time to time be required under the Listing Rules or unless a poll is (before or on the declaration of the result of the show of hands) demanded by

- (a) the chairman of the meeting; or
- (b) at least three Shareholders present in person or by proxy and having the right to vote at the meeting; or

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## LETTER FROM THE BOARD

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- (c) any Shareholder or Shareholders present in person or by proxy representing not less than one-tenth of the total voting rights of all the Shareholders having the right to vote at the meeting; or
- (d) any Shareholder or Shareholders present in person or by proxy and holding Shares 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.

On a show of hands, every Shareholder (being an individual) present in person or (being a corporation) by duly authorized representative shall have one vote. On a poll, every shareholder present in person, by proxy or by authorized representative shall have one vote for every Share held by him. On a poll, a Shareholder entitled to more than one vote need not, use all his votes or cast all the votes he uses the same way.

### **RECOMMENDATION**

The Board believes that the relevant resolutions respectively approving the Repurchase Proposal, the granting of general mandates to Directors to issue new Shares, extension of such general mandate to Directors to issue new Shares by share repurchased pursuant to the Repurchase Resolution and re-election of retiring directors are all in the best interest of the Company and its Shareholders. Accordingly, the Board recommends that all Shareholders should vote in favour of such resolutions to be proposed at the AGM.

Yours faithfully,  
On behalf of the Board  
**ZHANG Fangyou**  
*Chairman*

This appendix serves as an explanatory statement, as required by the Share Repurchase Rules, to provide requisite information to you for your consideration of the proposal to permit the repurchase of Shares up to a maximum of 10% of the issued share capital of the Company as at the date of the Repurchase Resolution.

This appendix also constitutes the memorandum as required under Section 49BA(3)(b) of the Companies Ordinance.

### **1. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 7,518,698,534 Shares.

Subject to the passing of the Repurchase Resolution and on the basis that no further Shares will be issued or repurchased prior to the AGM, the Company would be allowed under the Repurchase Proposal to repurchase a maximum of 751,869,853 Shares representing not more than 10% of the issued share capital of the Company as at the Latest Practicable Date.

### **2. REASONS FOR REPURCHASE**

The Directors believe that the Repurchase Proposal 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 assets and/or earnings per Share of the Company and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

### **3. FUNDING OF REPURCHASE**

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Memorandum and Articles of Association and the Companies Ordinance of Hong Kong. The Companies Ordinance provides that the amount of capital repaid in connection with a share repurchase may only be paid from the distributable profits of the Company and/or the proceeds of a new issue of Shares made for the purpose of the repurchase to such an extent allowable under the Companies Ordinance.

There might be an adverse material 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 for the year ended 31 December 2007 in the event that the power to repurchase Shares pursuant to the Repurchase Proposal was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the power to repurchase Shares pursuant to the Repurchase Proposal 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.

#### 4. SHARE PRICES

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

	Share price	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
<b>2007</b>		
April	3.53	3.08
May	3.61	3.15
June	3.97	3.41
July	4.03	3.56
August	3.83	2.87
September	4.60	3.58
October	5.67	4.41
November	5.60	4.25
December	5.47	4.50
<b>2008</b>		
January	5.65	3.30
February	5.00	4.00
March	4.00	3.01
April (up to the Latest Practicable Date)	4.04	3.23

#### 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 Resolution 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, have any present intention to sell any Shares to the Company or its subsidiaries under the Repurchase Proposal if such is approved by the Shareholders.

No 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, or have undertaken not to do so, in the event that the Repurchase Proposal is approved by the Shareholders.

#### 6. CODE ON TAKEOVERS AND MERGERS

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



As at the Latest Practicable Date, Guangzhou Automobile Industry Group Co. Ltd. and its associates held on a beneficial basis 2,849,544,904 Shares representing approximately 37.90% of the issued share capital of the Company. In the event that the Directors exercise in full the power to repurchase Shares pursuant to the Repurchase Resolution (if its shareholdings in the Company and the capital structure of the Company otherwise remained the same), their percentage of shareholdings in the Company will be increased to approximately 42.11% and an obligation to make a general offer to shareholders under Rules 26 and 32 of the Takeovers Code may arise. The Directors have no present intention to exercise the power to repurchase Shares pursuant to the Repurchase Resolution to such an extent as to result in takeover obligations.

In the event that the power to repurchase Shares pursuant to the Repurchase Resolution is exercised in full, the number of Shares held by the public would not fall below 25%.

#### **7. SHARES REPURCHASE MADE BY THE COMPANY**

The Company had not repurchased any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

The following are the particulars of the retiring Directors proposed to be re-elected at the AGM:

1. **Mr. Zhang Baoqing**, aged 58, joined the Group in 1998 and was appointed as the Deputy Managing Director of the Company on 19 June 2001. He became the Managing Director on 23 September 2004 and a member of the Remuneration Committee of the Company on 3 January 2005. He is also a Director of Guangzhou Automobile Group Co., Ltd., Guangzhou Honda Automobile Co., Ltd., Guangzhou Automobile Group Component Co., Ltd. and Guangzhou Automobile Group Commerce and Trading Co., Ltd, the Managing Director of Guangzhou Auto Group (Hong Kong) Ltd. and China Lounge Investments Ltd., as well as the Chairman of Guangzhou Denway Enterprises Development Co., Ltd. and of several members of the Group. He was the Deputy Managing Director of Guangzhou Automobile Industry Group Co., Ltd. and Guangzhou Automobile Group Co., Ltd. Save as disclosed above, he does not hold directorship in any other listed public companies in the last three years and he does not hold any other position in the Company and other members of the Company's group.

There is no service contract between the Company and Mr. Zhang. He has no fixed term of service with the Company but will subject to the rotational retirement and re-election requirements at annual general meeting pursuant to the Articles of Association. There is no agreement on the amount of the remuneration payable to Mr. Zhang. His remuneration will be reviewed annually by the Board with reference to his duties and responsibilities with the Company, the Company's performance and the prevailing market situation. For the year ended 31 December 2007, total emoluments (being director's emolument) paid to Mr. Zhang amounted to HK\$1,745,235.

Save as disclosed, Mr. Zhang is and was not connected with any directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Zhang is interested in 6,488,000 share options of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Zhang Baoqing has confirmed that there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders.

2. **Mr. Fu Shoujie**, aged 44, joined the Group on 16 August 2007 as a Director of the Company. He is currently a Director of Guangzhou Automobile Industry Group Co. Ltd., the Deputy Managing Director of Guangzhou Automobile Group Co. Ltd., the Executive Deputy Managing Director of Guangzhou Honda Automobile Co Ltd., and a Director of Guangzhou Auto Group (Hong Kong) Ltd., China Lounge Investments Ltd. and Honda Automobile (China) Co, Ltd. Mr. Fu is also the Chairman of Guangzhou Yangcheng Automobile Co. Ltd. In the past three years, Mr. Fu had been the Assistant to the General Manager of Guangzhou Automobile Industry Group Co. Ltd. Save as disclosed above, Mr. Fu does not hold directorship in any other listed companies in the last three years and he does not hold any position in the Company and other members of the Company's group.

There is no service contract between the Company and Mr. Fu. He has no fixed term of service with the Company but will be subject to the rotational retirement and re-election requirements at annual general meeting pursuant to the Articles of Association. There is no agreement on the amount of the remuneration payable to Mr. Fu. His remuneration will be reviewed annually by the Board with reference to his duties and responsibilities with the Company, the Company's performance and the prevailing market situation. For the year ended 31 December 2007, total emoluments (being director's emolument) paid to Mr. Fu amounted to HK\$300,000.

Save as disclosed, Mr. Fu is and was not connected with any directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Fu does not have any interest in shares within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Fu Shoujie has confirmed that there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders.

3. **Mr. Lee Ka Lun**, aged 53, was appointed as an Independent Non-Executive Director and the Chairman of the Audit Committee of the Company on 30 June 1999, a member of the Remuneration Committee of the Company on 3 January 2005 and a member of the Nomination Committee of the Company on 2 September 2005. Mr. Lee is also an Independent Non-Executive Director of Guangzhou Investment Company Limited, Chow Sang Sang Holdings International Limited and REXCAPITAL Financial Holdings Limited. Mr. Lee is a Fellow of The Association of Chartered Certified Accountants in UK and has over 25 years of experience in banking and auditing. Save as disclosed above, he does not hold directorship in any other listed public companies in the last three years and he does not hold any other position in the Company and other members of the Company's group.

Mr. Lee has entered into a letter of appointment with the Company. The appointment of Mr. Lee as an Independent Non-Executive Director is for a term of two years expiring on 31 December 2009 and subject to the retirement and re-election requirements at annual general meeting pursuant to the Articles of Association. The director's fee of Mr. Lee is not fixed in the letter of appointment. He is entitled to a director's fee to be determined by the Board with reference to his duties and responsibilities with the Company and authorised by Shareholders. For the year ended 31 December 2007, the director fee of Mr. Lee was HK\$180,000 for services rendered in accordance with the letter of appointment. Save for the said director fee, he is not entitled to other emoluments.

Save as disclosed, Mr. Lee is and was not connected with any directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Lee does not have any interest in shares within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Lee Ka Lun has confirmed that there is no information which is discloseable nor is/ was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders.

4. **Mr. Fung Ka Pun**, aged 62, was appointed as an Independent Non-Executive Director and a member of the Audit Committee of the Company on 23 September 2004, a member of the Remuneration Committee of the Company on 3 January 2005 and the Chairman of the Nomination Committee of the Company on 2 September 2005. He is also the Co-Chairman of E2-Capital (Holdings) Limited, the Chairman of Goodwill International (Holdings) Limited, the Deputy Chairman of Samling Global Limited and an Independent Non-Executive Director of GZI Transport Limited, Lei Shing Hong Limited and Lee Hing Development Limited. Mr. Fung is a member of Chinese People's Political Consultative Conference of Hubei Province and is a part-time member of the Central Policy Unit, the Government of the HKSAR. He is a fellow member of the Association of International Accountants and an associate member of the Institute of Chartered Secretaries and Administrators. He has more than 30 years of experience in finance, securities and futures trading and corporate finance. Save as disclosed above, he does not hold directorship in any other listed public companies in the last three years and he does not hold any other position in the Company and other members of the Company's group.

Mr. Fung has entered into a letter of appointment with the Company. The appointment of Mr. Fung as an Independent Non-Executive Director is for a term of two years expiring on 31 December 2009 and subject to the retirement and re-election requirements at annual general meeting pursuant to the Articles of Association. The director's fee of Mr. Fung is not fixed in the letter of appointment. He is entitled to a director's fee to be determined by the Board with reference to his duties and responsibilities with the Company and authorised by Shareholders. For the year ended 31 December 2007, the director fee of Mr. Fung was HK\$180,000 for services rendered in accordance with the letter of appointment. Save for the said director fee, he is not entitled to other emoluments.

Save as disclosed, Mr. Fung is and was not connected with any directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Fung does not have any interest in Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Fung Ka Pun has confirmed that there is no information which is discloseable nor is/ was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders.

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## NOTICE OF ANNUAL GENERAL MEETING

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### DENWAY MOTORS LIMITED

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 203)**

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the annual general meeting of the Company will be held at Ballroom, Level 3, JW Marriott Hotel (Hong Kong), Pacific Place, 88 Queensway, Hong Kong on Thursday, 29 May 2008 at 11:00 a.m. for the following purposes:

1. To receive and consider the audited financial statements and the reports of the directors and the independent auditor for the year ended 31 December 2007.
2. To declare a final dividend and a special dividend.
3. To elect directors and to authorise the board of directors to fix the remuneration of directors.
4. To re-appoint auditor and to authorise the board of directors to fix the remuneration of auditor.
5. As special business, to consider and, if thought fit, to pass the following resolution as an ordinary resolution of the Company:

#### **ORDINARY RESOLUTION**

**“THAT:**

- (i) subject to paragraph (ii) of this Resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the shares of the Company may be listed and recognized by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (ii) the aggregate nominal amount of shares of the Company to be repurchased by the Company pursuant to the approval in paragraph (i) of this Resolution shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company at the date of the passing of this Resolution and the said approval shall be limited accordingly; and

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## NOTICE OF ANNUAL GENERAL MEETING

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(iii) for the purposes of this Resolution,

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

- (a) the conclusion of the next annual general meeting of the Company; or
- (b) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; or
- (c) the revocation or variation of the authority given under this resolution by ordinary resolution of the shareholders of the Company in general meeting.”

6. As special business, to consider and, if thought fit, to pass the following resolution as an ordinary resolution of the Company:

### ORDINARY RESOLUTION

“**THAT:**

- (i) subject to paragraph (iii) of this Resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make and grant offers, agreements and options (including warrants, bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require shares to be allotted be and is hereby generally and unconditionally approved;
- (ii) the approval in paragraph (i) of this Resolution shall authorise the directors of the Company during the Relevant Period to make and grant offers, agreements and options (including warrants, bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require shares to be allotted after the end of the Relevant Period;
- (iii) 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 (i) of this Resolution, otherwise than pursuant to (a) a Rights Issue (as hereinafter defined); or (b) an issue of shares upon the exercise of subscription rights under any option scheme or similar arrangement for the time being adopted for the grant or issue to the grantees as specified in such scheme or similar arrangement of shares or rights to acquire shares of the Company; or (c) 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 of the Company; or (d) an issue of shares pursuant to any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of the dividend on shares of the Company in accordance with the articles of association of the Company, shall not exceed 20 per

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## NOTICE OF ANNUAL GENERAL MEETING

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cent. of the aggregate nominal amount of the issued share capital of the Company at the date of the passing of this Resolution and the said approval shall be limited accordingly; and

(iv) for the purposes of this Resolution:

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

- (a) the conclusion of the next annual general meeting of the Company; or
- (b) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; or
- (c) the revocation or variation of the authority given under this resolution by ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer of shares of the Company or issue of option, warrants or other securities giving the right to subscribe for shares of the Company, open for a period fixed by the directors of the Company to holders of shares, or any class of shares, whose names appear on the register of members of the Company (and, where appropriate, to holders of other securities of the Company entitled to the offer) on a fixed record date in proportion to their holdings of such shares (or, where appropriate, such other securities) as at that date (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). ”

7. As special business, to consider and, if thought fit, to pass the following resolution as an ordinary resolution of the Company:

### ORDINARY RESOLUTION

“**THAT** conditional upon the passing of the ordinary resolutions in items 5 and 6 in the notice convening this meeting, the general mandate granted to the directors of the Company to exercise the powers of the Company to allot, issue and deal with any additional shares of the Company pursuant to ordinary resolution in item 6 of 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 in item 5 of the notice convening this meeting, provided that such extended amount shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company at the date of the passing of this Resolution. ”

By order of the Board  
**LEUNG Chong Shun**  
*Company Secretary*

Hong Kong, 22 April 2008

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## NOTICE OF ANNUAL GENERAL MEETING

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**Notes:**

1. A member of the Company entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
2. To be valid, the proxy form together with any 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 to the Company's Registrars, Tricor Abacus Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment meeting thereof.
3. The register of members of the Company will be closed from Friday, 23 May 2008 to Thursday, 29 May 2008, both days inclusive, during which no transfer of shares will be effected. In order to qualify for the proposed final dividend and special dividend, all completed transfer forms with the relevant share certificates must be lodged with the Company's Registrars, Tricor Abacus Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Thursday, 22 May 2008.