

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in CITIC 1616 Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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CITIC 1616 Holdings Limited

中信 1616 集團有限公司

(incorporated in Hong Kong with limited liability)

(Stock Code: 1883)

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

A notice convening the annual general meeting of CITIC 1616 Holdings Limited to be held at Island Ballroom, Level 5, Island Shangri-La Hotel, Two Pacific Place, Supreme Court Road, Hong Kong on Monday, 5 May 2008 at 10:30 a.m. is set out on pages 11 to 14 of this circular.

Whether or not you are able to attend the Annual General Meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the registered office of CITIC 1616 Holdings Limited at 8th Floor, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the Annual General Meeting. Completion and delivery of the form of proxy will not preclude you from attending and voting at the Annual General Meeting should you so wish.

2 April 2008

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DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at Island Ballroom, Level 5, Island Shangri-La Hotel, Two Pacific Place, Supreme Court Road, Hong Kong on Monday, 5 May 2008 at 10:30 a.m., the Notice of which is set out in Appendix III to this circular or, where the context so admits, any adjournment thereof
“CITIC 1616” or “Company”	CITIC 1616 Holdings Limited
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Directors”	directors of the Company
“HK\$”	Hong Kong dollars
“Latest Practicable Date”	26 March 2008, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Notice”	the notice convening the Annual General Meeting
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Shareholders”	holders of Shares in the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it in the Companies Ordinance (Cap.32 of the Laws of Hong Kong)



CITIC 1616 Holdings Limited

中信 1616 集團有限公司

(incorporated in Hong Kong with limited liability)

(Stock Code: 1883)

Directors:

Shi Cuiming (*Chairman*)
Xin Yue Jiang (*Vice Chairman*)
Yuen Kee Tong (*Chief Executive Officer*)
Chan Tin Wai, David (*Chief Financial Officer*)
Lee Chung Hing*
Kwok Man Leung*
Yang Xianzu**
Liu Li Qing**
Kwong Che Keung, Gordon**

Registered Office:

8th Floor
CITIC Tower
1 Tim Mei Avenue
Central
Hong Kong

* *Non-executive Director*

** *Independent non-executive Director*

2 April 2008

To the Shareholders,

Dear Sir or Madam,

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

1. INTRODUCTION

The purpose of this circular is to provide you with the Notice and the information in connection with the proposals to (i) grant the general mandates to issue Shares and to repurchase Shares, (ii) re-elect the retiring Directors and (iii) appoint a Director at the Annual General Meeting.

LETTER FROM THE CHAIRMAN

2. GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES

By the written resolutions of the sole shareholder of the Company passed on 16 March 2007, special resolutions were passed giving general mandates to the Directors (i) to allot, issue and dispose of additional Shares not exceeding twenty per cent of the aggregate nominal amount of the issued share capital of the Company in issue immediately following completion of the Global Offering (as defined in the prospectus issued by the Company on 22 March 2007) and to extend the general mandate to allot Shares by adding repurchased securities to the twenty per cent general mandate; and (ii) to repurchase Shares of the Company on the Stock Exchange not exceeding ten per cent of the aggregate nominal amount of the issued share capital of the Company in issue immediately following completion of the Global Offering.

The purpose of the general mandates was to enable the Directors to issue additional Shares and to repurchase Shares should the need arise. The Directors have no present intention to exercise the general mandates to issue Shares and to repurchase Shares of the Company.

Under the terms of the Companies Ordinance and the Listing Rules, these general mandates will lapse upon the conclusion of the forthcoming Annual General Meeting of the Company to be held on 5 May 2008, unless renewed at that meeting. These general mandates will continue in force during the period from the passing of the resolutions at the Annual General Meeting until the conclusion of the next annual general meeting of the Company or the expiration of the period within which the next annual general meeting of the Company is required by law to be held or until these general mandates are revoked or varied by ordinary resolutions of the Shareholders in general meeting, whichever is the earlier. To keep in line with current corporate practice, resolutions will be proposed to renew these mandates and the explanatory statement and memorandum regarding the repurchase resolution as required under the Listing Rules is set out in Appendix I to this circular.

3. RE-ELECTION OF DIRECTORS AND APPOINTMENT OF DIRECTOR

In accordance with Article 95 of the Articles of Association of the Company, Mr. Xin Yue Jiang is a Director appointed by the Board since the last annual general meeting who shall hold office only until the forthcoming Annual General Meeting and shall be eligible for re-election. In accordance with Article 104(A) of the Articles of Association of the Company, Messrs. Shi Cuiming, Lee Chung Hing and Kwok Man Leung shall retire by rotation in the Annual General Meeting. Messrs. Shi Cuiming and Kwok Man Leung, being eligible, offer themselves for re-election and Mr. Lee Chung Hing will not seek for re-election. In this respect, the Board recommends to appoint Mr. Chau Chi Yin as a Non-executive Director to fill the vacancy created by the retirement of Mr. Lee Chung Hing and an ordinary resolution for the appointment of Mr. Chau Chi Yin will be put forward for shareholders' approval at the forthcoming Annual General Meeting. Details of the Directors who are proposed to be re-elected or appointed at the Annual General Meeting are set out in Appendix II to this circular.

LETTER FROM THE CHAIRMAN

4. ANNUAL GENERAL MEETING

The Notice is set out in Appendix III to this circular. At the Annual General Meeting, resolutions will be proposed to approve, inter alia, the general mandates to issue Shares and to repurchase Shares, the re-election of Directors and the appointment of Director.

Pursuant to Article 75 of the Articles of Association of the Company, 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:

- (i) by the Chairman of the meeting; or
- (ii) by at least three members present in person or by proxy for the time being entitled to vote at the meeting; or
- (iii) by any member or members present in person 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
- (iv) by a member or members present in person 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.

The results of the poll will be published on the websites of the Company and the Stock Exchange on the business day following the above meeting.

A proxy form for use at the Annual General Meeting is enclosed. Whether or not you are able to attend the Annual General Meeting, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the Company's registered office at 8th Floor, CITIC Tower, 1 Tim Mei Avenue, 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. Completion and return of the proxy form will not preclude Shareholders from attending and voting at the Annual General Meeting if they so wish.

5. RECOMMENDATION

The Directors believe that the general mandates to issue Shares and to repurchase Shares, the re-election of Directors and the appointment of Director to be proposed at the Annual General Meeting are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend that the Shareholders shall vote in favour of the resolutions in relation to the above proposals to be proposed at the Annual General Meeting.

Yours faithfully,
Shi Cuiming
Chairman

APPENDIX I EXPLANATORY STATEMENT AND MEMORANDUM IN RELATION TO THE BUYBACK MANDATE

This is an explanatory statement and memorandum of the terms of the proposed repurchases given to the Shareholders relating to a resolution to approve the Company repurchasing its own Shares (“Buyback Mandate”) to be proposed at the Annual General Meeting.

This explanatory statement contains the information required under rule 10.06(1)(b) of the Listing Rules. Its purpose is to provide Shareholders with all the information reasonably necessary for them to make an informed decision as to whether or not to vote in favour of the resolution approving the Buyback Mandate and it also forms the memorandum of the terms of the proposed repurchases given under Section 49BA(3)(b) of the Companies Ordinance.

i. SHARE CAPITAL

As at 26 March 2008, the Latest Practicable Date, the issued share capital of the Company was 1,977,731,283 Shares.

Subject to the passing of the resolution approving the Buyback Mandate and on the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, the Company would be allowed under the Buyback Mandate to repurchase a maximum of 197,773,128 Shares, representing 10% of the issued share capital of the Company as at the date of passing the relevant resolution.

ii. SHAREHOLDER APPROVAL/TRADING RESTRICTIONS

The Listing Rules provide that all proposed repurchases of securities by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of a general mandate or by a specific approval of a particular transaction.

iii. REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders to seek a general authority from Shareholders to enable the Directors to repurchase the Shares of the Company on the market.

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

iv. FUNDING OF REPURCHASES

Repurchases must be funded out of the funds legally available for the purpose in accordance with the Company’s constitutive documents, including memorandum and articles of association, and Hong Kong laws, being profits available for distribution and

APPENDIX I EXPLANATORY STATEMENT AND MEMORANDUM IN RELATION TO THE BUYBACK MANDATE

the proceeds of a fresh issue of shares made for the purpose of the repurchases. It is envisaged that the funds required for any repurchase would be derived from profits available for distribution.

The Directors do not propose to exercise the Buyback Mandate to such an 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. However, there might be an adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements as at 31 December 2007) in the event that the Buyback Mandate was exercised in full.

v. SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the 12 months preceding the Latest Practicable Date, from 1 March 2007 to 29 February 2008 and from 1 March 2008 to the Latest Practicable Date, were as follows:

	Shares	
	Highest	Lowest
	<i>(HK\$)</i>	<i>(HK\$)</i>
2007		
March	–	–
April	4.54	3.40
May	3.55	3.04
June	3.26	3.00
July	3.54	3.03
August	3.48	2.03
September	2.91	2.51
October	2.74	2.45
November	2.78	2.06
December	2.51	1.91
2008		
January	2.31	1.45
February	1.88	1.55
1 March to 26 March	2.20	1.68

vi. GENERAL

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their associates, have any present intention if the Buyback Mandate is exercised to sell any Shares to the Company or its subsidiaries.

APPENDIX I EXPLANATORY STATEMENT AND MEMORANDUM IN RELATION TO THE BUYBACK MANDATE

The Directors have undertaken to the Stock Exchange that they will exercise the power of the Company to make repurchases pursuant to the Buyback Mandate in accordance with the Listing Rules and the laws of Hong Kong.

If as the 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 purposes of the Hong Kong Codes on Takeovers and Mergers and Share Repurchases ("Takeovers Code"). As a result, a shareholder, or group of shareholders acting in concert depending on the level of increase of 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 Takeovers Code. As at the Latest Practicable Date, the ultimate holding company of the Company, CITIC Pacific Limited ("CITIC Pacific"), indirectly held approximately 52.57% of the issued share capital of the Company. In the event of full exercise of the Buyback Mandate and the maintenance by CITIC Pacific of its present shareholding, the percentage of the issued share capital of the Company held by CITIC Pacific would increase to 58.41%. On the basis of the current shareholding position of the Company, the Directors are not aware of any consequence which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Buyback Mandate.

Details of repurchases of Shares made by the Company in the previous six months (all repurchases were made on the Stock Exchange) were as follows:

Date	Number of Shares Repurchased	Price per Share or Highest Price Paid (HK\$)	Lowest Price Paid (HK\$)
23 January 2008	160,000	1.60	1.52
1 February 2008	175,000	1.70	1.66

The Listing Rules prohibit the Company from knowingly repurchasing Shares of the Company on the Stock Exchange from a "connected person" (as defined in the Listing Rules) and a connected person is prohibited from knowingly selling his/her Shares to the Company.

No connected persons (as defined in the Listing Rules) of the Company 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 Company is authorised to make repurchases of Shares.

**APPENDIX II BIOGRAPHIES OF (I) RETIRING DIRECTORS OFFERING
FOR RE-ELECTION AND (II) NEW DIRECTOR TO BE
APPOINTED AT THE ANNUAL GENERAL MEETING**

The following Directors are subject to retirement by rotation and re-election in accordance with the Company's Articles of Association. The interests in the securities of the Company of the retiring Directors, except for Mr. Xin Yue Jiang who joined the Company in January 2008, are provided in the section of "Directors' Report" in the 2007 Annual Report. The emoluments of the retiring Directors, except for Mr. Xin, are set out in Note 9 to the Financial Statements contained in the 2007 Annual Report. In general, the emoluments paid to the Directors are determined with reference to the market terms and their duties and responsibilities within the Group. All the retiring directors are not appointed for a specific term but are subject to retirement by rotation at least once every three years pursuant to the Company's Articles of Association. In relation to the re-election of the following Directors, there is no information to be disclosed pursuant to any of the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders.

***Mr. Shi Cuiming**, aged 68, is the Chairman of the Company and he joined the Group in February 2004. Mr. Shi, a senior economist, graduated from the Department of Management Engineering at the Beijing Posts and Telecommunications College in 1963. From 1981 to 1987, Mr. Shi served as Deputy Director of the Department of Postal Economic Research of the Ministry of Posts and Telecommunications and as Deputy Director General of the Bureau of Finance of the Ministry of Posts and Telecommunications. From 1987 to 1997, Mr. Shi served as Director General of the Bureau of Finance, Director General of the Department of Operations and Finance and Director General of the Department of Finance of the Ministry of Posts and Telecommunications. From 1997 to early 1999, Mr. Shi served as Chairman of the Board of Directors of China Telecom (Hong Kong) Group Limited, now known as China Mobile (Hong Kong) Group Limited, and Chairman of the Board of Directors and Chief Executive Officer of China Telecom (Hong Kong) Limited, now known as China Mobile Limited. Since early 1999, Mr. Shi served as an Executive Director and Vice President of the Unicom Group and was re-appointed as a Director in September 2000. Mr. Shi was appointed in April 2000 as an Executive Director and the Executive Vice President of China Unicom Limited until February 2004. Since February 2004, Mr. Shi has acted as the Chairman of CITIC Telecom 1616 Limited. He is also an independent non-executive director of TCL Communication Technology Holdings Limited and China GrenTech Corporation Limited (a company listed on NASDAQ in the US), and an external director of CITS Group Corporation appointed by the State-owned Assets Supervision and Administration Commission. Mr. Shi has over 40 years of experience in China's telecoms industry and he has extensive knowledge and experience in telecoms operations, finance and management. Save as disclosed herein, he has no relationships with any directors, senior management or substantial or controlling shareholders of the Company.

***Mr. Xin Yue Jiang**, aged 59, is the Vice Chairman of the Company and he joined the Company in January 2008. Mr. Xin graduated from China Qingdao Naval Aeronautic Engineering Institute and Central University of Finance and Economics and obtained a Master degree in Economics and Management from the Graduate School of Chinese Academy of Social Sciences. Mr. Xin has served in government departments relating to technology information and economics, management and has extensive knowledge and

APPENDIX II BIOGRAPHIES OF (I) RETIRING DIRECTORS OFFERING FOR RE-ELECTION AND (II) NEW DIRECTOR TO BE APPOINTED AT THE ANNUAL GENERAL MEETING
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experience in technology information, operation, management and capital market operation. He has worked in various major companies as senior management, researcher and chief engineer. He was senior vice president and senior consultant of China Netcom (Hong Kong) Operations Limited. Mr. Xin did not hold directorship in other listed public companies in the last three years. Save as disclosed herein, Mr. Xin has no relationships with any directors, senior management or substantial or controlling shareholders of the Company. Mr. Xin does not hold any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. He is entitled to receive under his service contract with the Company an annual salary of HK\$1.3 million plus discretionary bonus that is subject to the performance of the Company and the individual. Following the appointment, he will also receive from the Company a director's fee, which is determined by the Shareholders, at the same rate as that payable by the Company to the other directors of the Company.

****Mr. Kwok Man Leung**, aged 39, has been a director of the Company since May 2000. Mr. Kwok obtained a Master degree in Business Administration (EMBA) from the Chinese University of Hong Kong. He is a Chartered Financial Analyst. Mr. Kwok currently is the director of Business Development Department of CITIC Pacific Limited ("CITIC Pacific") and has been appointed as an executive director of CITIC Pacific with effect from 1 April 2008. He is also a non-executive director of Dah Chong Hong Holdings Limited ("DCH Holdings"), a director of Adaltis Inc. (a Canadian listed company), CITIC Guoan Co., Ltd., New Hong Kong Tunnel Company Limited and other companies of CITIC Pacific Group concerned with special steel and environmental projects. He joined CITIC Pacific in 1993 after experience in sales and business development with a major Hong Kong listed company. Save as disclosed herein, he has no relationships with any directors, senior management or substantial or controlling shareholders of the Company.

In addition, Mr. Lee Chung Hing, who shall retire by rotation in the forthcoming Annual General Meeting, will not seek for re-election. In this respect, the Board recommends to appoint Mr. Chau Chi Yin as a Non-executive Director to fill the vacancy created by the retirement of Mr. Lee Chung Hing and an ordinary resolution for the appointment of Mr. Chau Chi Yin will be put forward for shareholders' approval at the forthcoming Annual General Meeting. The biography of Mr. Chau Chi Yin is as follows:-

Mr. Chau Chi Yin, aged 52, is an executive director of CITIC Pacific, a non-executive director of DCH Holdings, a director of CITIC Hong Kong (Holdings) Limited, Jiangyin Xingcheng Special Steel and Hong Kong Resort Company Limited. He joined CITIC Pacific in 1990 after experience in public accounting and in financial management with a major Hong Kong listed company. Mr. Chau has over 25 years of experience in the accounting, auditing and financial management field. Mr. Chau obtained a Master degree in Business from The University of Newcastle in Australia. Mr. Chau is a certified public accountant (practicing) and a fellow member of the Hong Kong Institute of Certified Public Accountants and also a member of Institute of Chartered Accountants in England and Wales. Save as

<p style="text-align: center;">APPENDIX II BIOGRAPHIES OF (I) RETIRING DIRECTORS OFFERING FOR RE-ELECTION AND (II) NEW DIRECTOR TO BE APPOINTED AT THE ANNUAL GENERAL MEETING</p>

disclosed herein, he has no relationships with any directors, senior management or substantial or controlling shareholders of the Company. His interest in the shares or underlying shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance is as follows:

Number of ordinary shares in the Company	30,000
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Mr. Chau is not appointed for a specific term but will be subject to retirement by rotation at least once every three years and re-election in accordance with the Company's Articles of Association. Mr. Chau will receive from the Company a director's fee, which is determined by the Shareholders, at the same rate as that payable by the Company to other directors of the Company.

In relation to the appointment of Mr. Chau as a Non-executive Director of the Company, there is no information to be disclosed pursuant to any of the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders.

* *Executive Director*

** *Non-Executive Director*

**CITIC 1616 Holdings Limited****中信 1616 集團有限公司***(incorporated in Hong Kong with limited liability)***(Stock Code: 1883)**

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at Island Ballroom, Level 5, Island Shangri-La Hotel, Two Pacific Place, Supreme Court Road, Hong Kong on Monday, 5 May 2008 at 10:30 a.m. for the following purposes:

1. To receive and consider the audited accounts and the Reports of the Directors and the Auditors for the year ended 31 December 2007.
2. To declare a final dividend for the year ended 31 December 2007.
3. To re-elect retiring Directors.
4. To consider and, if thought fit, pass the following resolution as an Ordinary Resolution:

“THAT:

Mr. Chau Chi Yin be appointed as a Non-executive Director with immediate effect to fill the vacancy created by the retirement of Mr Lee Chung Hing.”

5. To re-appoint Auditors and authorise the Board of Directors to fix their remuneration.
6. To consider as Special Business and, if thought fit, pass the following resolution as an Ordinary Resolution:

“THAT:

- A. subject to paragraph (C), a general mandate be and is hereby unconditionally granted to the Directors of the Company to exercise during the Relevant Period all the powers of the Company to allot, issue and dispose of additional shares in the Company and to make or grant offers, agreements and options which would or might require the exercise of such powers;

- B. the mandate in paragraph (A) 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;
- C. the aggregate nominal value 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 mandate in paragraph (A), otherwise than pursuant to (i) Rights Issue; or (ii) any option scheme or similar arrangement for the time being adopted for the grant or issue to the officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; or (iii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company; or (iv) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company pursuant to the Articles of Association of the Company from time to time, shall not exceed twenty per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of this Resolution and the said mandate shall be limited accordingly;
- 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; or
- ii. the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held; or
- iii. the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the Shareholders 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 of the Company on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).”

7. To consider as Special Business and, if thought fit, pass the following resolution as an Ordinary Resolution:

“THAT:

- A. a general mandate be and is hereby unconditionally given to the Directors of the Company to exercise during the Relevant Period all the powers of the Company to purchase or otherwise acquire shares of the Company in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, provided that the aggregate nominal amount of shares so purchased or otherwise acquired shall not exceed ten per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of this Resolution;
- B. 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; or
- ii. the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held; or
- iii. the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the Shareholders in general meeting.”

8. To consider as Special Business, and if thought fit, pass the following resolution as an Ordinary Resolution:

“THAT conditional upon the passing of Resolutions (6) and (7) set out in the Notice convening this Meeting, the aggregate nominal amount of the shares which are purchased or otherwise acquired by the Company pursuant to Resolution (7) shall be added to the aggregate nominal amount of the shares which may be issued pursuant to Resolution (6).”

By Order of the Board

Tso Mun Wai

Company Secretary

Hong Kong, 2 April 2008

Registered Office:
8th Floor, CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

Notes:

- (i) The Register of Members will be closed from Monday, 28 April 2008 to Monday, 5 May 2008, both days inclusive, during which period no transfer of shares will be effected.
- (ii) Any member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company.
- (iii) 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 deposited at the registered office of the Company not less than forty-eight hours before the time for holding the meeting or adjourned meeting or poll (as the case may be) at which the person named in such instrument proposes to vote.
- (iv) Concerning item 3 above, Mr. Xin Yue Jiang is a Director appointed by the Board since last annual general meeting who shall hold office only until the forthcoming Annual General Meeting and shall then be eligible for re-election pursuant to Article 95 of the Articles of Association of the Company. Messrs. Shi Cuiming, Lee Chung Hing and Kwok Man Leung shall retire by rotation in the Annual General Meeting pursuant to Article 104(A) of the Articles of Association of the Company. Messrs. Shi Cuiming and Kwok Man Leung, being eligible, offer themselves for re-election and Mr. Lee Chung Hing will not seek for re-election. In this respect, the Board recommends to appoint Mr. Chau Chi Yin as a Non-executive Director to fill the vacancy created by the retirement of Mr. Lee Chung Hing. Details of the Directors who are proposed to be re-elected or appointed at the Annual General Meeting are set out in Appendix II to this circular.
- (v) Concerning item 6 above, the approval is being sought from members for a general mandate to authorise allotment of shares under Section 57B of the Companies Ordinance and the Listing Rules, in order to ensure flexibility and discretion to the Directors in the event that it becomes desirable to issue any shares of the Company up to twenty per cent of the issued share capital of the Company. The Directors wish to state that they have no immediate plans to issue shares in the Company.
- (vi) Concerning item 7 above, the approval is being sought from members for a general mandate to repurchase shares in the Company, in order to ensure flexibility and discretion to the Directors in the event that it becomes desirable to repurchase any shares in the Company up to ten per cent of the issued share capital of the Company.
- (vii) Concerning item 8 above, the approval is being sought from members to extend the general mandate to allot shares by adding repurchased securities to the twenty per cent general mandate.