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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 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 **MINGYUAN MEDICARE DEVELOPMENT COMPANY LIMITED**, 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 the transferee.

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 however arising from or in reliance upon the whole or any part of the contents of this circular.

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**MINGYUAN MEDICARE DEVELOPMENT COMPANY LIMITED****銘源醫療發展有限公司\****(incorporated in Bermuda with limited liability)***(Stock Code: 0233)**

**GENERAL MANDATE TO ISSUE SHARES  
AND PURCHASE SHARES,  
RE-ELECTION OF DIRECTORS,  
PROPOSED AMENDMENTS TO BYE-LAWS,  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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The notice convening the Annual General Meeting of Mingyuan Medicare Development Company Limited, to be held at 3:30 p.m. at McKinley Room, Pacific Place Conference Centre, 5th Floor, One Pacific Place, 88 Queensway, Hong Kong on Monday, 2 June 2008 is set out on pages 13 to 17 of this circular. A form of proxy for use at the Annual General Meeting is enclosed. Whether or not you propose to attend the meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the head office and principal place of business of the Company at Room 1801-03, Hutchison House, 10 Harcourt Road, Central, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the Annual General Meeting. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the meeting or any adjourned meeting should you so desire.

\* *For identification purpose only*

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## DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at 3:30 p.m. at McKinley Room, Pacific Place Conference Centre, 5th Floor, One Pacific Place, 88 Queensway, Hong Kong on Monday, 2 June 2008
“Board”	the board of directors of the Company
“Company”	Mingyuan Medicare Development Company Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	the general mandate to the Directors to exercise the powers of the Company to allot, issue and deal with Shares during the relevant period up to a maximum of 20% of the issued share capital of the Company as at the date of passing of the relevant resolution at the AGM
“Latest Practicable Date”	23 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
“Repurchase Mandate”	the general mandate to the Directors to exercise the powers of the Company to repurchase fully paid Shares during the relevant period up to a maximum of 10% of the issued share capital of the Company as at the date of passing of the relevant resolution at the AGM
“SFO”	Securities and Futures Ordinance, Chapter 571, Laws of Hong Kong
“Share(s)”	ordinary shares of HK\$0.05 each in the capital of the Company

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## DEFINITIONS

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“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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## LETTER FROM THE BOARD

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### MINGYUAN MEDICARE DEVELOPMENT COMPANY LIMITED

銘源醫療發展有限公司\*

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 0233)**

*Executive Directors:*

Mr. Yao Yuan (*Chairman*)

Mr. Chien Hoe Yong, Henry (*CEO*)

Mr. Iu Chung

Mr. Hu Jun

Mr. Yu Ti Jun

*Registered office:*

Canon's Court

22 Victoria Street

Hamilton HM12

Bermuda

*Independent non-executive Directors:*

Dr. Lam Lee G.

Mr. Hu Jin Hua

Mr. Lee Sze Ho, Henry

*Head office and*

*principal place of business:*

Room 1801-03

Hutchison House

10 Harcourt Road

Central

Hong Kong

28 April 2008

*To the Shareholders*

Dear Sir/Madam,

**GENERAL MANDATE TO ISSUE SHARES  
AND PURCHASE SHARES,  
RE-ELECTION OF DIRECTORS,  
PROPOSED AMENDMENTS TO BYE-LAWS,  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

#### **INTRODUCTION**

The Directors wish to seek the approval of the Shareholders at the AGM for the grant of the Issue Mandate and the Repurchase Mandate, and the proposed re-election of Directors.

The purposes of this circular are to (i) provide you with information in relation to the Issue Mandate and the Repurchase Mandate; (ii) present the proposal for the re-election of Directors, and (iii) give you notice of the AGM. A special resolution will also be proposed to amend the Bye-laws of the Company.

\* *For identification purposes only*

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## LETTER FROM THE BOARD

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### **GRANTING OF THE ISSUE MANDATE AND THE REPURCHASE MANDATE**

At the annual general meeting of the Shareholders held on 6 June 2007, approval has been given by the Shareholders for the grant of (a) a general mandate to the Directors to issue Shares up to 20% of the aggregate nominal value of the issued share capital of the Company at the date of such annual general meeting, and (b) a general mandate to the Directors to repurchase Shares on the Stock Exchange up to 10% of the issued share capital of the Company at the date of such annual general meeting.

In accordance with the terms of the approval, the above general mandates will shortly expire on 2 June 2008 upon the conclusion of the AGM. To keep in line with current corporate practice, the grant of fresh general mandates for the same purpose is being sought from Shareholders at the AGM.

Three ordinary resolutions numbered (4), (5) and (6) in the notice convening the AGM will be proposed for the grant of the Issue Mandate and the Repurchase Mandate and the approval of the extension to the Issue Mandate to issue and allot additional Shares representing the total nominal amount of Shares which may be purchased by the Company under the Repurchase Mandate.

An explanatory statement required by the Listing Rules to be sent to the Shareholders in connection with the Repurchase Mandate is set out in Appendix I to this circular.

The Issue Mandate and the Repurchase Mandate will be valid for the period from the date of passing of the relevant resolutions up to the date of the next annual general meeting of the Company in 2009, or the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws of the Company or any applicable laws to be held, or the revocation or variation of such mandates by an ordinary resolution of the Shareholders in general meeting, whichever of these three events occurs first.

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,925,796,551 Shares. Subject to the passing of the relevant ordinary resolutions to approve the Issue Mandate and the Repurchase Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed to allot, issue a maximum of 585,159,310 Shares under the Issue Mandate and purchase a maximum of 292,579,655 Shares under the Repurchase Mandate.

### **RE-ELECTION OF DIRECTORS**

In respect of Directors appointed at any annual general meeting of the Company, Bye-Law 109 of the Bye-Laws of the Company provides that one-third of such Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not exceeding one-third, shall retire from office by rotation at every annual general meeting of the Company. No Director holding office as executive chairman or as a managing director shall be subject to retirement by rotation or taken into account in determining the

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## LETTER FROM THE BOARD

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number of Directors to retire. A retiring Director shall be eligible for re-election. In accordance with such Bye-Law, Mr. Hu Jun and Mr. Hu Jin Hua shall retire from office by rotation at the AGM. Being eligible, Mr. Hu Jun and Mr. Hu Jin Hua will offer themselves for re-election as Directors. At the AGM, an ordinary resolution will be proposed to re-elect Mr. Hu Jun and Mr. Hu Jin Hua as Directors.

The biographical information of the Directors proposed to be re-elected at the AGM is set out in Appendix II to this circular.

### **PROPOSED AMENDMENTS TO THE BYE-LAWS**

The existing Bye-laws of the Company allow investor holding Shares in the Company, including investor holding Shares in the Company through CCASS, to attend the shareholders' meeting of the Company in person or by appointing one proxy to vote on his/her behalf. To cater for the increasing demand from investors holding Shares in the Company through CCASS for attending the shareholders' meeting of the Company in person or appointing one or more than one proxy to vote on their behalf, the Directors propose that the Company amends its existing Bye-laws to allow a shareholder, which is a recognized clearing house (within the meaning of the SFO), to appoint more than one person to vote on her behalf as follows:

“Where that shareholder and/or warrant holder is a recognized clearing house (within the meaning of the SFO) or its nominee(s), it may authorise such person or persons as it thinks fit to act as its representative(s) or proxy(ies) at any shareholders' meetings or any meetings of any class of shareholders and/or warrant holders provided that, if more than one person is so authorised, the authorisation or proxy form must specify the number and class of shares and/or warrants in respect of which each such person is so authorised. The person so authorised will be deemed to have been duly authorised without the need of producing any documents of title, notarized authorisation and/or further evidence for substantiating the facts that it is duly authorised and will be entitled to exercise the same power on behalf of the recognised clearing house as that clearing house or its nominee(s) could exercise if it were an individual shareholder and/or warrant holder of the Company.”

A special resolution will be proposed at the SGM to seek the Shareholders' approval of the above amendments to the Bye-laws of the Company.

### **PROCEDURES BY WHICH A POLL MAY BE DEMANDED**

Bye-Laws 78 to 82 of the Bye-Laws of the Company set out the procedures under which a poll may be demanded.

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 by:

- (i) the chairman of the meeting; or
- (ii) not less than three members present in person or by proxy and entitled to vote; or

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## LETTER FROM THE BOARD

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- (iii) a 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) a member or members 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.

A demand for a poll may be withdrawn only with the consent of the chairman of the meeting before the close of the meeting or the taking of the poll, whichever is the earlier. Unless a poll is demanded and not withdrawn, a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against such resolution. If a poll is demanded and not withdrawn, it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the chairman of the meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote. In case of any dispute as to the admission or rejection of any vote, the chairman of the meeting shall determine the same, and such determination shall be final and conclusive.

A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the meeting) and place as the chairman may direct. No notice need to be given of a poll not taken immediately. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded.

### **AGM**

The notice convening the AGM (as appearing on pages 13 to 17 of this circular) sets out ordinary resolutions to approve the grant of the Issue Mandate and the Repurchase Mandate and the re-election of Directors.

A form of proxy for use at the AGM is enclosed with this circular. Whether or not you propose to attend the meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the head office and principal place of business of the Company at Room 1801-03, Hutchison House, 10 Harcourt Road, Central, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the AGM or any adjourned meeting should you so desire.



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## LETTER FROM THE BOARD

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### RECOMMENDATION

The Directors believe that all the above-mentioned resolutions to be proposed at the AGM are fair and reasonable and are in the best interest of the Company and its Shareholders. Accordingly, the Directors recommend that all Shareholders should vote in favour of the resolutions as set out in the notice of the AGM.

Yours faithfully,  
By Order of the Board  
**Poon Kwong Wai, Kenny**  
*Company Secretary*

This Appendix includes an explanatory statement required by the Stock Exchange to be presented to the Shareholders concerning the Repurchase Mandate proposed to be granted to the Directors at the AGM.

### **1. LISTING RULES FOR PURCHASES OF SHARES**

The Listing Rules permit companies whose shares are listed on the Stock Exchange to repurchase their shares on the Stock Exchange subject to certain restrictions.

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

### **2. FUNDING OF PURCHASES**

Any repurchase will be made out of funds which are legally available for the purpose in accordance with the Memorandum and Bye-Laws of the Company and the laws of Bermuda. As compared with the financial position of the Company as at 31 December 2007 (being the date of its latest audited accounts), the Directors consider that there will not be a material adverse impact on the working capital and the gearing position of the Company in the event that the proposed repurchases were to be carried out in full during the proposed repurchase period.

The Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital of the Company or the gearing ratio which, in the opinion of the Directors, are from time to time appropriate for the Company.

### **3. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,925,796,551 Shares.

Subject to the passing of the relevant ordinary resolution to approve the Repurchase Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed to purchase a maximum of 292,579,655 Shares under the Repurchase Mandate during the period from the passing of the resolution granting the Repurchase Mandate up to (a) the conclusion of the next annual general meeting; or (b) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws of the Company or the applicable laws of Bermuda to be held; or (c) when the authority given under the Repurchase Mandate is revoked or varied by an ordinary resolution of the Shareholders in general meeting of the Company, whichever occurs first.

**4. REASONS FOR PURCHASES**

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

**5. UNDERTAKING OF THE DIRECTORS**

The Directors have undertaken to the Stock Exchange to exercise the Repurchase Mandate in accordance with the Listing Rules, the applicable laws of Bermuda and in accordance with the Memorandum and Bye-Laws of the Company.

**6. EFFECT OF THE 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 purpose of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert, depending on the level of increase of the Shareholder's 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 and based on the register required to be kept by the Company under Part XV of the SFO, Ming Yuan Investments Group Limited (a wholly-owned subsidiary of Ming Yuan Holdings Limited, which in turn is owned as to 50% and 50% by Mr. Yao Yuan, the Executive Chairman of the Company and Mr. Iu Chung, Executive Director of the Company) ("Ming Yuan") held 1,063,579,075 Shares, representing approximately 36.35% of the entire issued share capital of the Company and was the only ultimate substantial shareholder holding 10% or more of the issued share capital of the Company. In the event that the Directors should exercise in full the power to purchase Shares under the Repurchase Mandate which is proposed to be granted pursuant to an ordinary resolution to be proposed at the AGM, the interests of Ming Yuan would increase to approximately 40.39% of the issued share capital of the Company and such increase would give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors have no present intention to repurchase Shares to such an extent as would result in takeover obligations.

**7. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS**

None of the Directors nor, to the best of the knowledge and belief of the Directors, having made all reasonable enquiries, any of their respective associates, has any present intention, in the event that the proposed Repurchase Mandate is approved by the Shareholders, to sell Shares to the Company. No connected person of the Company has notified the Company that he/she/it has a present intention to sell Shares to the Company nor has he/she/it undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Company is authorised to make repurchases of Shares.

**8. SHARE REPURCHASE MADE BY THE COMPANY**

In the preceding six months ending on the Latest Practicable Date, the Company repurchased 20,010,000 Shares on the Stock Exchange at an aggregate consideration of HK\$22,995,700 with the highest and lowest prices per share at HK\$1.20 and HK\$1.11 respectively. Saves as aforesaid, neither the Company nor any of its subsidiaries has purchased Shares (whether on the Stock Exchange or otherwise) in the preceding six months ending on the Latest Practicable Date.

**9. SHARE PRICE**

The highest and lowest prices at which the Shares were traded on the Stock Exchange in each of the previous twelve months immediately prior to the Latest Practicable Date were as follows:

	<b>Shares</b>	
	<b>Highest</b>	<b>Lowest</b>
	<i>HK\$</i>	<i>HK\$</i>
April 2007	0.92	0.75
May 2007	0.94	0.76
June 2007	1.30	0.87
July 2007	1.79	1.08
August 2007	1.63	0.98
September 2007	1.43	1.25
October 2007	1.40	1.15
November 2007	1.36	1.10
December 2007	1.30	1.11
January 2008	1.23	1.05
February 2008	1.60	1.19
March 2008	1.41	0.88

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**APPENDIX II                      BIOGRAPHICAL INFORMATION OF DIRECTORS  
PROPOSED TO BE RE-ELECTED AT THE AGM**

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As required by the Listing Rules, the following are the particulars of the Directors proposed to be re-elected at the AGM:

**Mr. HU Jun**

Mr. HU Jun, aged 65, is currently the Executive Director of the Company and he has been appointed to this position since 30 August 2002. Mr. Hu has held senior managerial positions in government authorities in China for over 38 years. With his extensive experience in management and administration of the public and private sector, Mr. Hu plays a pivotal role in the formation and execution of corporate structure and internal control policies for the Company's operations in China. Mr. Hu did not hold any directorship in other listed public companies in the last three years.

Mr. Hu's service contract did not provide for a specified length of service period and he will be subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-Laws of the Company. Mr. Hu's emolument (including bonus) is HK\$120,000 per annum. He does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Hu holds 10,000,000 share options, the details of which are disclosed in the 2007 Annual Report of the Company to which this Circular is distributed with. Save as disclosed, Mr. Hu has no other interests in Shares within the meaning of Part XV of the SFO.

The emoluments for Mr. Hu were determined by the Board with reference to Mr. Hu's responsibilities and duties within the Company. There is no information to be disclosed pursuant to any of the requirements set out in rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules in respect of Mr. Hu and there are no other matters that need to be brought to the attention of the Shareholders in respect of Mr. Hu's re-election.

**Mr. HU Jin Hua**

Mr. HU Jin Hua, aged 65, is currently the Independent Non-Executive Director of the Company and he has been appointed to this position since 1 June 2005. Mr. Hu is also the counselor of Shanghai Municipal People's Government and the Honourable Director of World Health Organization Shanghai Health Education Collaborating Centre. Mr. Hu has devoted his career to health education and public health development in China. Mr. Hu holds various positions related to public health education including the Vice Chairman of China Association of Health Education. Mr. Hu is also an Associate Chief Physician and the former Director of Shanghai Health Education Centre. Mr. Hu has over 40 years of experience in health education in China. Mr. Hu did not hold any directorship in other listed public companies in the last three years.

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**APPENDIX II                      BIOGRAPHICAL INFORMATION OF DIRECTORS  
PROPOSED TO BE RE-ELECTED AT THE AGM**

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Mr. Hu's service contract did not provide for a specified length of service period and he will be subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-Laws of the Company. Mr. Hu's emolument is HK\$120,000 per annum. He does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Lee did not have any interest in Shares within the meaning of Part XV of the SFO.

The emoluments for Mr. Hu were determined by the Board with reference to Mr. Hu's responsibilities and duties within the Company. There is no information to be disclosed pursuant to any of the requirements set out in rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules in respect of Mr. Yu and there are no other matters that need to be brought to the attention of the Shareholders in respect of Mr. Hu's re-election.

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## NOTICE OF ANNUAL GENERAL MEETING

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### MINGYUAN MEDICARE DEVELOPMENT COMPANY LIMITED

銘源醫療發展有限公司\*

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 0233)**

**NOTICE IS HEREBY GIVEN THAT** the Annual General Meeting of the Shareholders of Mingyuan Medicare Development Company Limited (the “Company”) will be held at 3:30 p.m. at McKinley Room, Pacific Place Conference Centre, 5th Floor, One Pacific Place, 88 Queensway, Hong Kong on Monday, 2 June 2008 to transact the following business:

- (1) To receive and consider the audited Financial Statements and Reports of the Directors and the Auditors of the Company for the year ended 31 December 2007.
- (2) To re-elect Directors and approve their remuneration.
- (3) To reappoint Deloitte Touche Tohmatsu as Auditors of the Company for the ensuring year and authorize the Directors to fix their remuneration.

#### ORDINARY RESOLUTIONS

- (4) To consider and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

“**THAT:**

- (a) subject to paragraph (c) below, the exercise by the directors of the Company (“Directors”) during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to issue, allot and deal with additional shares in the capital of the Company (“Shares”) and to make or grant offers, agreements, options and rights of exchange or conversion which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval granted in paragraph (a) above shall be in addition to any other authorization given to the Directors and shall authorize the Directors during the Relevant Period to make or grant offers, agreements, options and rights of exchange or conversion which would or might require the exercise of such powers after the end of the Relevant Period;

\* For identification purposes only

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## NOTICE OF ANNUAL GENERAL MEETING

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(c) the aggregate nominal amount of the share capital to be issued, allotted and dealt with or agreed conditionally or unconditionally to be issued, allotted and dealt with (whether pursuant to an option or otherwise) by the Directors pursuant to the approval granted in paragraph (a) above, otherwise than pursuant to the following events, shall not exceed twenty per cent. of the aggregate nominal amount of the issued share capital of the Company at the date of passing this Resolution:

- (i) a Right Issue (as defined in paragraph (d) below);
- (ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities including bonds and debentures which are convertible into Shares;
- (iii) 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; or
- (iv) any scrip dividend or similar arrangement providing for the issue and allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Bye-Laws of the Company (as amended from time to time);

and the said approval shall be limited accordingly; and

(d) for the purposes of this Resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws of the Company or the Companies Act 1981 of Bermuda (as amended from time to time) or any other applicable laws to be held; and
- (iii) the date of any 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 open for a period fixed by the Directors to the holders of Shares or any class thereof whose names appear on the register on a fixed record date in proportion to their then holdings of such Shares or class thereof (subject to such exclusions or other arrangements as the



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## NOTICE OF ANNUAL GENERAL MEETING

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Directors 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 relevant jurisdiction applicable to the Company.”

- (5) To consider and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

**“THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to repurchase issued Shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchange on which the Shares 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, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall be in addition to any other authorization given to the Directors and shall authorize the Directors on behalf of the Company during the Relevant Period to procure the Company to repurchase its Shares at a price determined by the Directors;
- (c) the aggregate nominal amount of the share capital of the Company repurchased or agreed conditionally or unconditionally to be repurchased by the Company pursuant to the approval granted in paragraph (a) above during the Relevant Period shall not exceed ten per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this Resolution and the said approval shall be limited accordingly; and
- (d) for the purposes of this Resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws of the Company or the Companies Act 1981 of Bermuda (as amended from time to time) or any other applicable laws to be held; and
- (iii) the date of any revocation or variation of the authority given under this Resolution by an ordinary resolution of the Shareholders of the Company in general meeting.”

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## NOTICE OF ANNUAL GENERAL MEETING

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- (6) To consider and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

“**THAT** conditional on the passing of the ordinary resolutions numbered 4 and 5 in this notice of Annual General Meeting, the aggregate nominal amount of the shares in the capital of the Company which are repurchased by the Company pursuant to and in accordance with the said ordinary resolution numbered 5 shall be added to the aggregate nominal amount of the share capital of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to and in accordance with the ordinary resolution numbered 4 set out in this notice of Annual General Meeting.”

### SPECIAL RESOLUTION

- (7) “**THAT** the following amendments to the Bye-laws of the Company be and are hereby approved:
- (a) by changing the existing Bye-law 96 to 96(A); and
- (b) by adding the following new Bye-law 96(B) after the new Bye-law 96(A):

“96(A) Where that shareholder and/or warrant holder is a recognized clearing house (within the meaning of the SFO) or its nominee(s), it may authorise such person or persons as it think fit to act as its representative(s) or proxy(ies) at any shareholders’ meetings or any meetings of any class of shareholders and/or warrant holders provided that, if more than one person is so authorised, the authorisation or proxy form must specify the number and class of shares and/or warrants in respect of which each such person is so authorised. The person so authorised will be deemed to have been duly authorised without the need of producing any documents of title, notarized authorisation and/or further evidence for substantiating the facts that it is duly authorised and will be entitled to exercise the same power on behalf of the recognized clearing house as that clearing house or its nominee(s) could exercise if it were an individual shareholder and/or warrant holder of the Company.”

By the Order of the Board  
**Poon Kwong Wai, Kenny**  
*Company Secretary*

Hong Kong, 31 March 2008

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## NOTICE OF ANNUAL GENERAL MEETING

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*Notes:*

- (1) A member entitled to attend and vote at the Annual General Meeting convened by the above notice is entitled to appoint another person as his proxy to attend and, on a poll, vote instead of him. A member may appoint a proxy in respect of part only of his holding of Shares. A proxy need not be a member of the Company.
- (2) The Register of Members of the Company will be closed from Wednesday, 28 May 2008 to Friday, 30 May 2008, both days inclusive, during which period no transfer of Shares will be effected. In order to qualify for the attendance of the Annual General Meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrars in Hong Kong, Computershare Hong Kong Investor Services Limited, of Shops 46th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 27 May 2008.

*As at the date of this notice, the Board of Directors of the Company comprises Mr. Yao Yuan (Chairman), Mr. Chien Hoe Yong, Henry (CEO), Mr. Iu Chung, Mr. Hu Jun, and Mr. Yu Ti Jun as Executive Directors and Dr. Lam Lee G., Mr. Hu Jin Hua and Mr. Lee Sze Ho, Henry as Independent Non-executive Directors.*