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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 you should take, you should consult your stockbroker, licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Dragon Hill Holdings Limited, you should at once hand this circular together with the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) 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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**DRAGON HILL HOLDINGS LIMITED**  
**( 俊 山 集 團 有 限 公 司 \* )**

*(Incorporated in Bermuda with limited liability)*  
**(Stock Code: 305)**

**PROPOSALS FOR GENERAL MANDATES  
TO REPURCHASE SECURITIES AND TO ISSUE SECURITIES,  
AMENDMENTS TO THE COMPANY’S BYE-LAWS AND MEMORANDUM  
OF ASSOCIATION, RE-ELECTION OF THE RETIRING DIRECTORS  
AND NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening an annual general meeting of Dragon Hill Holdings Limited to be held at Function Room I-II, Ground Floor, City Garden Hotel, 9 City Garden Road, North Point, Hong Kong on Friday, 25 May 2007 at 10:30 a.m. is set out on pages 17 to 23 of this circular. A form of proxy for use at the annual general meeting is also enclosed.

Whether or not you are able 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 Company’s Hong Kong share registrar, Tengis Limited, at 26/F Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for the holding of the meeting or adjourned meeting. Completion and return of the form of proxy will not preclude shareholders from attending and voting at the meeting or any adjourned meeting thereof if they so wish.

\* For identification purposes only

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## DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at Function Room I-II, Ground Floor, City Garden Hotel, 9 City Garden Road, North Point, Hong Kong on Friday, 25 May 2007 at 10:30 a.m. or any adjournment thereof, to consider, if appropriate to approve the resolutions contained in the notice of the meeting which is set out on pages 17 to 23 of this circular
“Board”	the board of Directors from time to time
“Buyback Mandate”	as defined in paragraph II of the Letter from the Board
“Bye-laws”	existing Bye-laws of the Company adopted on 30 October 1992 with subsequent amendments made on 26 June 1997, 10 June 2004 and 23 May 2006 respectively
“Company”	Dragon Hill Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Companies Act”	The Companies Act 1981 of Bermuda , as amended from time to time
“Directors”	the directors of the Company
“HK\$”	Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issuance Mandate”	as defined in paragraph II of the Letter from the Board
“Latest Practicable Date”	20 April 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited as amended from time to time
“Memorandum of Association”	The existing Memorandum of Association of the Company adopted on 30 October 1992 as amended, supplemented or modified, if any, from time to time
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Share(s)”	fully paid-up ordinary share(s) of HK\$0.004 each in the share capital of the Company
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers, as amended from time to time



**DRAGON HILL HOLDINGS LIMITED**

**( 俊 山 集 團 有 限 公 司 \* )**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 305)**

*Executive Directors:*

Mr. Lee Shing (*Chairman*)

Ms. Liu Yaling

Mr. Wang Shaohua

Mr. Pei Qingrong

Registered Office:

Canon's Court

22 Victoria Street,

Hamilton HM12,

Bermuda

*Independent Non-Executive Directors:*

Mr. Yu Xiumin

Mr. Zuo Duofu

Mr. Cheng Kin Wah, Thomas

*Principal place of business in Hong Kong:*

Unit 505, 5/F.,

China Insurance Group Building,

141 Des Voeux Road Central,

Hong Kong

27 April 2007

*To the shareholders*

Dear Sir or Madam,

**PROPOSALS FOR GENERAL MANDATES  
TO REPURCHASE SECURITIES AND TO ISSUE SECURITIES,  
AMENDMENTS TO THE COMPANY'S BYE-LAWS AND  
MEMORANDUM OF ASSOCIATION,  
RE-ELECTION OF THE RETIRING DIRECTORS  
AND NOTICE OF ANNUAL GENERAL MEETING**

**I. INTRODUCTION**

The purpose of this circular is to provide you with information in respect of the resolutions to be proposed at the Annual General Meeting for the approval of (i) the granting of the Buyback Mandate and the Issuance Mandate to the Directors; (ii) the proposed amendments to the Company's Bye-laws and Memorandum of Association; and (iii) the re-election of the retiring Directors of the Company and to seek your approval of the ordinary resolutions and the special resolutions relating to these matters at the Annual General Meeting.

\* For identification purposes only

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## LETTER FROM THE BOARD

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### II. BUYBACK AND ISSUANCE MANDATES

At the annual general meeting of the Company held on 23 May 2006, the Buyback Mandate was given to the Directors to repurchase securities and the Issuance Mandate was given to the Directors to issue securities. Both of them will lapse at the conclusion of the Annual General Meeting. At the Annual General Meeting ordinary resolutions will be proposed:

- (i) to grant to the Directors a general mandate to exercise the powers of the Company to undertake repurchases of the Company's securities up to a maximum of 10% of the total issued share capital of the Company on the date of passing of the relevant ordinary resolution (the "Buyback Mandate");
- (ii) to grant a general mandate to the Directors to issue new Shares up to a maximum of 20% of the total issued share capital of the Company on the date of passing of the relevant ordinary resolution (the "Issuance Mandate"); and
- (iii) to extend the Issuance Mandate by the number of Shares repurchased by the Company pursuant to and in accordance with the Buyback Mandate.

The Buyback Mandate and the Issuance Mandate will continue in force until the conclusion of the next annual general meeting of the Company or any earlier date as referred to in Resolutions Nos. 4 and 5 set out in the notice of the Annual General Meeting. The Directors wish to state that they have no present intention of issuing any securities.

In accordance with the Listing Rules, the Company is required to send to the Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the grant of the Buyback Mandate. An explanatory statement as required by the Listing Rules in connection with the Buyback Mandate is set out in Appendix I to this circular.

### III. AMENDMENTS TO THE COMPANY'S BYE-LAWS AND MEMORANDUM OF ASSOCIATION

The Directors propose to amend Bye-laws 91 and 99(B) of the Company in order to ensure compliance with paragraph 4(2) of Appendix 3 to the Listing Rules and the Code Provision A.4.2 of the Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules such that (i) any Directors appointed by the Board to fill a casual vacancy of the Company should be subject to re-election by the Shareholders at the first general meeting after their appointment and any Directors appointed by the Board as an addition to the Board shall hold office until the next annual general meeting of the Company and shall then be eligible for re-election; and (ii) every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

In addition, the Directors also propose to amend the relevant Bye-laws of the Company to accommodate the recent amendments of the Companies Act in relation to the delivery of documents via electronic mode and the Listing Rules which includes: (i) the permission of the listed issuers to send or otherwise make available corporate communications, including annual and interim reports, listing documents, circulars and notices of meeting to holders of securities using electronic means, and in either English or Chinese only with the Shareholders' prior approval and, if these would be allowed under applicable laws and regulations and the listed issuers' own constitutional documents; and (ii) the conditions for the removal of a director of the listed issuers in general meeting by ordinary resolution instead of special resolution. Details of the proposed amendments are set out in Resolution 7 in the notice of the Annual General Meeting.

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## LETTER FROM THE BOARD

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In relation to the Memorandum of Association of the Company, the Directors propose the related amendments as a consequence to the recent amendments of the Companies Act which have come into effect from 29 December 2006 onwards allowing the companies incorporated in Bermuda to have unrestricted objects and powers of a natural person. Details of the proposed amendments are set out in Resolution No. 8 in the notice of the Annual General Meeting.

#### IV. RE-ELECTION OF THE RETIRING DIRECTORS

In accordance with Bye-law 99(B) of the Company, Messrs. Lee Shing, Liu Yaling, Wang Shaohua, Pei Qingrong, Yu Xiumin, Zuo Duofu and Cheng Kin Wah, Thomas, who are appointed directors of the Company during the year 2006, will retire at the Annual General Meeting, and being eligible, will offer themselves for re-election at the Annual General Meeting.

Details of the retiring Directors proposed to be re-elected at the Annual General Meeting are set out in Appendix III hereto.

#### V. ANNUAL GENERAL MEETING

The notice of the Annual General Meeting is set out on pages 17 to 23 of this circular. At the Annual General Meeting, resolutions will be proposed to consider and, if thought fit, to approve, among other things, (a) the granting of the Buyback Mandate and the Issuance Mandate; (b) the extension of the Issuance Mandate to the Directors by the addition of the number of Shares repurchased pursuant to the Buyback; (c) the amendments to the Company's Bye-laws and Memorandum of Association; and (d) the re-election of the retiring Directors. The procedures by which the Shareholders may demand a poll at a general meeting pursuant to the Bye-laws are set out in the Appendix II to this circular.

A form of proxy for use at the Annual General Meeting is enclosed with this circular. If you intend to appoint a proxy to attend the Annual General Meeting, you are requested to complete the form of proxy and return it to the Company's share registrar in Hong Kong, Tengis Limited, at 26/F Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 48 hours before the time appointed for holding the Annual General Meeting or the adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting at the Annual General Meeting if you so wish.

#### VI. RECOMMENDATIONS

The Board considers that the proposed granting of the Buyback Mandate and the Issuance Mandate and extension of the Issuance Mandate to the Directors, the amendments to the Company's Bye-laws and Memorandum of Association, the re-election of the retiring Directors are all in the best interests of the Company and its shareholders as a whole. Accordingly, the Board recommends all shareholders to vote in favour of all the relevant resolutions to be proposed at the Annual General Meeting.

#### VII. GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendix I (Explanatory Statement on the Buyback Mandate), Appendix II (Procedures by which Shareholders may demand a poll at general meeting pursuant to the Company's Bye-laws) and Appendix III (Details of the retiring Directors proposed to be re-elected at the Annual General Meeting) to this circular.

Yours faithfully,  
By Order of the Board  
**Lee Shing**  
*Chairman*

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## **APPENDIX I EXPLANATORY STATEMENT — BUYBACK MANDATE**

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*This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information for your consideration of the proposed Buyback Mandate.*

### **1. REASONS FOR SHARE BUYBACK**

The Directors believe that the proposed granting of the Buyback Mandate is in the interests of the Company and its Shareholders.

Trading conditions on the Stock Exchange have sometimes been volatile in recent years. At any time in the future when Shares are trading at a discount to their underlying value, the ability of the Company to repurchase shares and other securities of the Company (if any) will be beneficial to those shareholders who retain their investment in the Company since their percentage interest in the assets of the Company would increase in proportion to the number of Shares repurchased by the Company and thereby resulting in an increase in net assets and/or earnings per share of the Company. Although the Directors have no present intention of repurchasing any securities, they believe that the flexibility afforded by the Buyback Mandate would be beneficial to the Company and its shareholders.

### **2. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 767,288,049 Shares of HK\$0.004 each. Subject to the passing of the ordinary resolution no. 4 set out in the notice of the Annual General Meeting and on the basis that no Shares are issued or repurchased by the Company prior to the Annual General Meeting, the Company would be allowed under the Buyback Mandate to repurchase a maximum of 76,728,804 Shares during the period in which the Buyback Mandate remains in force.

### **3. FUNDING OF REPURCHASES**

In repurchasing securities of the Company under the Buyback Mandate, the Company may only apply funds legally available for such purpose in accordance with its By-laws, the Listing Rules, the laws of Bermuda and other applicable laws.

Securities of the Company shall not be repurchased for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time. The Directors propose that repurchases of securities of the Company under the Buyback Mandate in these circumstances would be financed from the Company's internal resources or existing banking facilities.

There might be material adverse 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 of the Company for the year ended 31 December 2006) in the event that the Buyback Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Buyback Mandate 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. The number of securities to be repurchased on any occasion and the price and other terms upon which the same are purchased will be decided by the Directors at the relevant time having regard to the circumstances then pertaining.

**4. MARKET PRICES OF SHARES**

The highest and lowest market prices at which the shares of the Company have been traded on the Stock Exchange during each of the twelve months preceding the Latest Practicable Date were as follows:

	Share Prices (Per Share)	
	Highest HK\$	Lowest HK\$
<b>2006</b>		
April	0.376	0.284
May	0.364	0.172
June	0.324	0.228
July	0.428	0.176
August	0.380	0.168
September	0.324	0.152
October	0.340	0.204
November	0.880	0.248
December	1.300	0.730
<b>2007</b>		
January	1.300	0.750
February	1.250	1.000
March	1.810	1.000
April (upto Latest Practicable Date)	1.770	1.480

**5. DISCLOSURE OF INTEREST**

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases under the Buyback Mandate in accordance with the By-laws of the Company, the Listing Rules, the laws of Bermuda and other applicable laws.

If as a result of a repurchases of securities of the Company, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. As a result, a shareholder, or group of shareholders acting in concert, depending on the level of such increase, could increase, 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, to the best of the knowledge and belief of the Directors, Dragon Hill Development Limited (俊山發展有限公司) held approximately 71.35% of the issued share capital of the Company. In the event that the Directors exercise in full the Buyback Mandate, the aggregate shareholding of Dragon Hill Development Limited (俊山發展有限公司) in the Company would increase to approximately 79.28% of the issued share capital of the Company. The directors consider that such an increase would not give rise to an obligation on the part of Dragon Hill Development Limited (俊山發展有限公司) to make a mandatory offer under Rule 26 of the Takeovers Code, but will result in the number of Shares in the hands of the public falling below the prescribed minimum aggregate percentage (under the Listing Rules) of 25%. However, the Directors have no intention to exercise the Buyback Mandate to such as extent.



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## **APPENDIX I EXPLANATORY STATEMENT — BUYBACK MANDATE**

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None of the Directors, and to the best of their knowledge having made all reasonable enquiries, nor any associates of the Directors, have any present intention to sell any Shares to the Company in the event that the Buyback Mandate is approved by Shareholders.

The Company has not been notified by any connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company, in the event that the Buyback Mandate is approved by its shareholders.

### **6. SHARE REPURCHASES MADE BY THE COMPANY**

No repurchase of Shares has been made by the Company nor any of its subsidiaries (whether on the Stock Exchange or otherwise) during the last six months immediately preceding the Latest Practicable Date.

*The following paragraphs are setting out the procedures by which the Shareholders may demand a poll at a general meeting of the Company (including the Annual General Meeting) pursuant to the Company's Bye-laws.*

According to Bye-laws 69 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) demanded by:

- (a) the chairman of such meeting; or
- (b) at least three members present in person or by proxy or by a duly authorised corporate representative for the time being entitled to vote at the meeting; or
- (c) any member or members present in person or by proxy or by a duly authorised corporate representative and representing not less than one-tenth of the total voting rights of all the Members having the right to attend and vote at the meeting; or
- (d) any member or members present in person or by proxy or by a duly authorised corporate representative and holding shares in the Company conferring a right to attend and 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.

*Stated below are the details of the Directors who will retire and be eligible for re-election at the Annual General Meeting according to the Bye-laws of the Company:*

**(1) MR. LEE SHING, AGED 49, AN EXECUTIVE DIRECTOR (“MR. LEE”)**

**Positions held with other members of the Company’s group**

Mr. Lee was appointed an executive director of the Company on 22 June 2006 following the change of the controlling shareholder of the Company. He is currently the Chairman and Chief Executive Officer of the Company. Other than that, Mr. Lee also holds directorship in our principal subsidiaries namely, Dragon Hill Financial Services Limited, Dragon Hill Credit Limited, Dragon Hill (HK) Limited, Hilcrest Limited and Jenpoint Limited.

**Previous experience including other directorships held in listed public companies in the last three years and other major appointments and qualifications**

Mr. Lee has extensive experiences in the trading and manufacturing businesses in Hong Kong and the PRC. He is the owner of a number of enterprises in Hong Kong and the PRC operating in the businesses of property development and the manufacturing of motor vehicle engines and parts. He was a Hong Kong representative in the Committee of The Chinese People’s Political Consultative Conference of Liujiang County, Liuzhou, Guangxi Province, the PRC. Mr. Lee has not held any directorship in other public listed companies in the last 3 years.

**Length or proposed length of service with the Company**

Mr. Lee is an executive director of the Company since June 2006. There is no service contract entered into between Mr. Lee and the Company. Mr. Lee is not appointed for a specific term and is subject to retirement by rotation and re-election in accordance with the provision of the Bye-laws.

**Relationships with any directors, senior management or substantial or controlling shareholders of the Company**

Mr. Lee is the sole shareholder and sole director of Dragon Hill Development Limited, the controlling shareholder of the Company. Other than that, Mr. Lee does not have any relationships with any directors, senior management or substantial shareholders of the Company.

**Interest in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance**

As at the Latest Practicable Date, Mr. Lee is taken to be interested in 547,459,613 Shares (71.35%) of the issued share capital of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

**Director’s emoluments and the basis of determining the director’s emoluments (including any bonus payments, whether fixed or discretionary in nature irrespective of whether the director has or does not have a service contract) and how much of these emoluments are covered by a service contract**

Mr. Lee receives HK\$100,000 per month as fee for his service as Executive Director of the Group, which is determined with reference to his duties and responsibilities with the Company, the Company’s business performance, profitability and market conditions and was approved by the Board and the Remuneration Committee, and he also joins the Company’s Mandatory Provident Fund Scheme.

**Disclosure requirements under rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules**

There is no information which is discloseable nor is/was Mr. Lee involved in any of the matters required to be disclosed pursuant to any of the requirements under rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

**Matters that need to be brought to the attention of the Shareholders of the Company**

Save as disclosed above, there are no other matters in relation to the re-election of Mr. Lee as Director that need to be brought to the attention of the Shareholders of the Company and there is no other information to be disclosed pursuant to any of the requirements of rule 13.51(2).

**(2) MS. LIU YALING, AGED 31, AN EXECUTIVE DIRECTOR (“MS. LIU”)****Positions held with other members of the Company’s group**

Ms. Liu was appointed an executive director of the Company on 22 June 2006 following the change of the controlling shareholder of the Company. Other than that, Ms. Liu also holds directorship in our principal subsidiaries namely, Dragon Hill Financial Services Limited, Dragon Hill Credit Limited, Dragon Hill (HK) Limited, Hilcrest Limited and Jenpoint Limited.

**Previous experience including other directorships held in listed public companies in the last three years and other major appointments and qualifications**

Ms. Liu graduated from 長春光學精密機械學院 (Changchun Institute of Optics and Fine Mechanics) (currently known as “長春理工大學 (Changchun University of Science and Technology)”) and is a qualified accountant in the PRC. Ms. Liu gains her working experiences in the car manufacturing industry and has approximately 8 years of experience in the finance and accounting industry in the PRC. Ms. Liu has not held any directorship in other public listed companies in the last 3 years.

**Length or proposed length of service with the Company**

Ms. Liu is an executive director of the Company since June 2006. There is no service contract entered into between Ms. Liu and the Company. Ms. Liu is not appointed for a specific term and is subject to retirement by rotation and re-election in accordance with the provision of the Bye-laws.

**Relationships with any directors, senior management or substantial or controlling shareholders of the Company**

Ms. Liu does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company.

**Interest in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance**

As at the Latest Practicable Date, Ms. Liu does not have any interest in the Company’s Shares within the meaning of Part XV of the Securities and Futures Ordinance.

**Director's emoluments and the basis of determining the director's emoluments (including any bonus payments, whether fixed or discretionary in nature irrespective of whether the director has or does not have a service contract) and how much of these emoluments are covered by a service contract**

Ms. Liu receives HK\$10,000 per month as fee for her service as Executive Director of the Group, which is determined with reference to her duties and responsibilities with the Company, the Company's business performance, profitability and market conditions and was approved by the Board and the Remuneration Committee.

**Disclosure requirements under rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules**

There is no information which is discloseable nor is/was Ms. Liu involved in any of the matters required to be disclosed pursuant to any of the requirements under rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

**Matters that need to be brought to the attention of the Shareholders of the Company**

Save as disclosed above, there are no other matters in relation to the re-election of Ms. Liu as Director that need to be brought to the attention of the Shareholders of the Company and there is no other information to be disclosed pursuant to any of the requirements of rule 13.51(2).

**(3) MR. WANG SHAOHUA, AGED 70, AN EXECUTIVE DIRECTOR ("MR. WANG")****Positions held with other members of the Company's group**

Mr. Wang was appointed an executive director of the Company on 3 August 2006. Other than that, Mr. Wang does not hold any positions with other members of the Group.

**Previous experience including other directorships held in listed public companies in the last three years and other major appointments and qualifications**

Mr. Wang has extensive experience in the car manufacturing industry in the PRC. Prior to his joining to the Group, Mr. Wang worked for a number of motor vehicle and components manufacturers in the PRC as senior management for many years. Mr. Wang has not held any directorship in other public listed companies in the last 3 years.

**Length or proposed length of service with the Company**

Mr. Wang is an executive director of the Company since August 2006. There is no service contract entered into between Mr. Wang and the Company. Mr. Wang is not appointed for a specific term and is subject to retirement by rotation and re-election in accordance with the provision of the Bye-laws.

**Relationships with any directors, senior management or substantial or controlling shareholders of the Company**

Mr. Wang does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company.

**Interest in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance**

As at the Latest Practicable Date, Mr. Wang does not have any interest in the Company's Shares within the meaning of Part XV of the Securities and Futures Ordinance.

**Director's emoluments and the basis of determining the director's emoluments (including any bonus payments, whether fixed or discretionary in nature irrespective of whether the director has or does not have a service contract) and how much of these emoluments are covered by a service contract**

Mr. Wang receives HK\$10,000 per month as fee for his service as Executive Director of the Group, which is determined with reference to his duties and responsibilities with the Company, the Company's business performance, profitability and market conditions and was approved by the Board and the Remuneration Committee.

**Disclosure requirements under rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules**

There is no information which is discloseable nor is/was Mr. Wang involved in any of the matters required to be disclosed pursuant to any of the requirements under rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

**Matters that need to be brought to the attention of the Shareholders of the Company**

Save as disclosed above, there are no other matters in relation to the re-election of Mr. Wang as Director that need to be brought to the attention of the Shareholders of the Company and there is no other information to be disclosed pursuant to any of the requirements of rule 13.51(2).

**(4) MR. PEI QINGRONG, AGED 70, AN EXECUTIVE DIRECTOR ("MR. PEI")****Positions held with other members of the Company's group**

Mr. Pei was appointed an executive director of the Company on 3 August 2006. Other than that, Mr. Pei does not hold any positions with other members of the Group.

**Previous experience including other directorships held in listed public companies in the last three years and other major appointments and qualifications**

Mr. Pei is an engineer and has extensive experience in the car manufacturing industry in the PRC. Prior to his joining to the Group, Mr. Pei worked for a number of machinery and equipment manufacturers in the PRC as senior engineer for many years. Mr. Pei has not held any directorship in other public listed companies in the last 3 years.

**Length or proposed length of service with the Company**

Mr. Pei is an executive director of the Company since August 2006. There is no service contract entered into between Mr. Pei and the Company. Mr. Pei is not appointed for a specific term and is subject to retirement by rotation and re-election in accordance with the provision of the Bye-laws.

**Relationships with any directors, senior management or substantial or controlling shareholders of the Company**

Mr. Pei does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company.

**Interest in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance**

As at the Latest Practicable Date, Mr. Pei does not have any interest in the Company's Shares within the meaning of Part XV of the Securities and Futures Ordinance.

**Director's emoluments and the basis of determining the director's emoluments (including any bonus payments, whether fixed or discretionary in nature irrespective of whether the director has or does not have a service contract) and how much of these emoluments are covered by a service contract**

Mr. Pei receives HK\$10,000 per month as fee for his service as Executive Director of the Group, which is determined with reference to his duties and responsibilities with the Company, the Company's business performance, profitability and market conditions and was approved by the Board and the Remuneration Committee.

**Disclosure requirements under rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules**

There is no information which is discloseable nor is/was Mr. Pei involved in any of the matters required to be disclosed pursuant to any of the requirements under rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

**Matters that need to be brought to the attention of the Shareholders of the Company**

Save as disclosed above, there are no other matters in relation to the re-election of Mr. Pei as Director that need to be brought to the attention of the Shareholders of the Company and there is no other information to be disclosed pursuant to any of the requirements of rule 13.51(2).

**(5) MR. YU XIUMIN, AGED 46, AN INDEPENDENT NON-EXECUTIVE DIRECTOR ("MR. YU")****Positions held with other members of the Company's group**

Mr. Yu was appointed an independent non-executive director of the Company on 22 June 2006 following the change of the controlling shareholder of the Company. Other than that, Mr. Yu does not hold any positions with other members of the Group.

**Previous experience including other directorships held in listed public companies in the last three years and other major appointments and qualifications**

Mr. Yu holds a doctorate degree in engineering and has extensive experiences in the research and teaching aspects of the car engineering. Mr. Yu has not held any directorship in other public listed companies in the last 3 years.

**Length or proposed length of service with the Company**

Mr. Yu is an independent non-executive director of the Company since August 2006. Mr. Yu will enter into a service contract with the Company for a specific term of three years following his re-election in the Annual General Meeting and is subject to retirement by rotation and re-election in accordance with the provision of the Bye-laws.

**Relationships with any directors, senior management or substantial or controlling shareholders of the Company**

Mr. Yu does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company.

**Interest in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance**

As at the Latest Practicable Date, Mr. Yu does not have any interest in the Company's shares within the meaning of Part XV of the Securities and Futures Ordinance.

**Director's emoluments and the basis of determining the director's emoluments (including any bonus payments, whether fixed or discretionary in nature irrespective of whether the director has or does not have a service contract) and how much of these emoluments are covered by a service contract**

Mr. Yu receives HK\$5,000 per month as fee for his service as Independent Non-Executive Director of the Company, which is determined with reference to his duties and responsibilities with the Company, the Company's business performance, profitability and market conditions and was approved by the Board and the Remuneration Committee.

**Disclosure requirements under rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules**

There is no information which is discloseable nor is/was Mr. Yu involved in any of the matters required to be disclosed pursuant to any of the requirements under rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

**Matters that need to be brought to the attention of the Shareholders of the Company**

Save as disclosed above, there are no other matters in relation to the re-election of Mr. Yu as Director that need to be brought to the attention of the Shareholders of the Company and there is no other information to be disclosed pursuant to any of the requirements of rule 13.51(2).

**(6) MR. ZUO DUOFU, AGED 63, AN INDEPENDENT NON-EXECUTIVE DIRECTOR ("MR. ZUO")****Positions held with other members of the Company's group**

Mr. Zuo was appointed an independent non-executive director of the Company on 22 June 2006 following the change of the controlling shareholder of the Company. Other than that, Mr. Zuo does not hold any positions with other members of the Group.

**Previous experience including other directorships held in listed public companies in the last three years and other major appointments and qualifications**

Mr. Zuo graduated from Department of Journalism of 暨南大學 (Jinan University). Mr. Zuo has over 25 years of experience in the media industry in the PRC. He is currently a representative of 廣東作家代表大會協會 (Congress of Writers' Representatives in Guangdong) and a member of president group of 廣東作家協會 (Guangdong Writer Association). Mr. Zuo has not held any directorship in other public listed companies in the last 3 years.

**Length or proposed length of service with the Company**

Mr. Zuo is an independent non-executive director of the Company since June 2006. Mr. Zuo will enter into a service contract with the Company for a specific term of three years following his re-election in the Annual General Meeting and is subject to retirement by rotation and re-election in accordance with the provision of the Bye-laws.

**Relationships with any directors, senior management or substantial or controlling shareholders of the Company**

Mr. Zuo does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company.



**Interest in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance**

As at the Latest Practicable Date, Mr. Zuo does not have any interest in the Company's Shares within the meaning of Part XV of the Securities and Futures Ordinance.

**Director's emoluments and the basis of determining the director's emoluments (including any bonus payments, whether fixed or discretionary in nature irrespective of whether the director has or does not have a service contract) and how much of these emoluments are covered by a service contract**

Mr. Zuo receives HK\$5,000 per month as fee for his service as Independent Non-Executive Director of the Company, which is determined with reference to his duties and responsibilities with the Company, the Company's business performance, profitability and market conditions and was approved by the Board and Remuneration Committee.

**Disclosure requirements under rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules**

There is no information which is discloseable nor is/was Mr. Zuo involved in any of the matters required to be disclosed pursuant to any of the requirements under rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

**Matters that need to be brought to the attention of the Shareholders of the Company**

Save as disclosed above, there are no other matters in relation to the re-election of Mr. Zuo as Director that need to be brought to the attention of the Shareholders of the Company and there is no other information to be disclosed pursuant to any of the requirements of rule 13.51(2).

**(7) MR. CHENG KIN WAH, THOMAS, AGED 41, AN INDEPENDENT NON-EXECUTIVE DIRECTOR ("MR. CHENG")****Positions held with other members of the Company's group**

Mr. Cheng was appointed an independent non-executive director of the Company on 22 June 2006 following the change of the controlling shareholder of the Company. Other than that, Mr. Cheng does not hold any positions with other members of the Group.

**Previous experience including other directorships held in listed public companies in the last three years and other major appointments and qualifications**

Mr. Cheng graduated from the Hong Kong Polytechnic University with a Professional Diploma in Accountancy. Mr. Cheng is an associate member of the Hong Kong Institute of Certified Public Accountants in Hong Kong. Mr. Cheng had extensive experience in the field of auditing and accounting. Mr. Cheng has not held any directorship in other public listed companies in the last 3 years.

**Length or proposed length of service with the Company**

Mr. Cheng is an independent non-executive director of the Company since June 2006. Mr. Cheng will enter into a service contract with the Company for a specific term of three years following his re-election in the Annual General Meeting and is subject to retirement by rotation and re-election in accordance with the provision of the Bye-laws.

**Relationships with any directors, senior management or substantial or controlling shareholders of the Company**

Mr. Cheng does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company.

**Interest in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance**

As at the Latest Practicable Date, Mr. Cheng does not have any interest in the Company's Shares within the meaning of Part XV of the Securities and Futures Ordinance.

**Director's emoluments and the basis of determining the director's emoluments (including any bonus payments, whether fixed or discretionary in nature irrespective of whether the director has or does not have a service contract) and how much of these emoluments are covered by a service contract**

Mr. Cheng receives HK\$10,000 per month as fee for his service as Independent Non-Executive Director of the Group, which is determined with reference to his duties and responsibilities with the Company, the Company's business performance, profitability and market conditions and was approved by the Board and the Remuneration Committee.

**Disclosure requirements under rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules**

There is no information which is discloseable nor is/was Mr. Cheng involved in any of the matters required to be disclosed pursuant to any of the requirements under rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

**Matters that need to be brought to the attention of the Shareholders of the Company**

Save as disclosed above, there are no other matters in relation to the re-election of Mr. Cheng as director that need to be brought to the attention of the Shareholders of the Company and there is no other information to be disclosed pursuant to any of the requirements of rule 13.51(2).

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## NOTICE OF ANNUAL GENERAL MEETING

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# DRAGON HILL HOLDINGS LIMITED

( 俊山集團有限公司 \*)

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 305)**

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of Dragon Hill Holdings Limited (“the Company”) will be held at Function Room I-II, Ground Floor, City Garden Hotel, 9 City Garden Road, North Point, Hong Kong on Friday, 25 May 2007 at 10:30 a.m. for the following purposes:

1. To receive and consider the Audited Financial Statements and the Reports of the Directors and of the Auditors for the year ended 31 December 2006.
2. To re-elect Directors, to fix the maximum number of Directors and to authorize the Board of Directors to fix their remuneration.
3. To appoint Messrs Ernst & Young as auditors and to authorize the Board of Directors to fix their remuneration.
4. As special business, to consider and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

**“THAT**

- (a) the exercise by the Directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to purchase its securities, subject to and in accordance with the applicable laws, be and is hereby generally and unconditionally approved;
- (b) the total nominal amount of securities of the Company to be purchased pursuant to the approval in paragraph (a) above shall not exceed 10% of the total nominal amount of the share capital of the Company in issue on the date of passing of this resolution and the said approval shall be limited accordingly; and
- (c) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
  - (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the revocation or variation of the authority given under this resolution by ordinary resolution passed by the Company’s shareholders in general meeting; and
  - (iii) 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.”

\* For identification purpose only

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## NOTICE OF ANNUAL GENERAL MEETING

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

**“THAT**

- (a) the exercise by the Directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to issue, allot and deal with additional shares of the Company or securities convertible into Shares, or options, warrants or similar rights to subscribe Shares and to make or grant offers, agreements and options which would or might require Shares or securities convertible into Shares, or options, warrants or similar rights to subscribe Shares to be allotted, issued or dealt with during or after the end of the Relevant Period (as defined below), be and is hereby generally and unconditionally approved, provided that, otherwise than pursuant to:
- (i) a rights issue where Shares are offered to shareholders on a fixed record date in proportion to their then holdings of Shares (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong); or
  - (ii) any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries and/or any eligible grantee pursuant to the scheme of shares or rights to acquire Shares of the Company; or
  - (iii) any scrip dividend scheme or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Bye-laws of the Company,

the total nominal amount of additional Shares or securities of the Company to be issued, allotted or dealt with or agreed conditionally or unconditionally to be issued, allotted or dealt with shall not in total exceed 20% of the total nominal amount of the share capital of the Company in issue on the date of passing of this resolution and the said approval shall be limited accordingly; and

- (b) for the purpose 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 revocation or variation of the authority given under this resolution by ordinary resolution passed by the Company’s shareholders in general meeting; and
  - (iii) 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.”

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

**“THAT** the general mandate granted to the Directors of the Company pursuant to resolution no. 5 above and for the time being in force to exercise the powers of the Company to issue, allot or dispose of additional shares or securities convertible into Shares, or options, warrants or similar rights to subscribe Shares and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby extended by the total nominal amount of securities in the capital of the

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## NOTICE OF ANNUAL GENERAL MEETING

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Company repurchased by the Company pursuant to the exercise by the Directors of the Company of the powers of the Company to purchase such securities since the granting of such general mandate referred to in the above resolution no. 4, provided that such amount shall not exceed 10% of the total nominal amount of the share capital of the Company in issue on the date of passing of this resolution.”

7. As special business, to consider and, if thought fit, pass the following resolution as Special Resolution:

“**THAT** the Bye-laws of the Company be and are hereby amended in the following manner:—

- (a) by adding the following new definition in Bye-law 1:

““electronic record” shall have the same meaning as ascribed to it under section 2 of the Electronic Transactions Act 1999 of Bermuda as amended from time to time, and includes any electronic code or device necessary to decrypt or interpret the electronic record;”;

- (b) by deleting the existing definition of “ordinary resolution” in Bye-law 1 and substituting therefor the following new definition of “ordinary resolution”:

““ordinary resolution” means a resolution passed by a simple majority of the votes cast by such members as being entitled so to do, vote in person or, where a corporate representative is allowed, by a duly authorised corporate representative; or by electronic means or, where proxies are allowed, by proxy, at a general meeting of the Company at which a quorum is present and of which not less than 14 days’ notice has been duly given;”;

- (c) by deleting the existing definition of “special resolution” in Bye-law 1 and substituting therefor the following new definition of “special resolution”:

““special resolution” mean a resolution passed by not less than three-fourths of the votes cast by such members, as being entitled so to do, vote in person, or, where a corporate representative is allowed, by a duly authorised corporate representative; or by electronic means or, where proxies are allowed, by proxy, at a general meeting of the Company at which a quorum is present and of which not less than 21 days’ notice, specifying the intention to propose the resolution as a special resolution, has been duly given, provided that if it is so agreed by a majority in number of the members having the right to attend and vote at any such meeting, being a majority together holding not less than 95% in nominal value of the shares giving that right, a resolution may be proposed and passed as a special resolution at a meeting of which less than 21 days’ notice has been given;”;

- (d) by deleting the existing definition of “in writing” or “written” in Bye-law 1 and substituting therefor the following new definition of “in writing” or “written”:

““in writing” or “written” includes printing, lithography, electronic record and other means of representing or reproducing words or figures in visible form;”;

- (e) by deleting the existing Bye-law 69 in its entirety and substituting therefor the following new Bye-law 69:

“69. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands or by a count of votes received in the form of electronic record, unless voting by way of a poll is required by the rules of the Designated Stock Exchange or a poll is (before or on the declaration of

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## NOTICE OF ANNUAL GENERAL MEETING

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the result of the show of hands or count of votes as electronic records) demanded by:

- (i) the chairman;
- (ii) at least 3 members present in person or by proxy or by a duly authorised corporate representative for the time being entitled to vote at the meeting;
- (iii) any member or members present in person or by proxy or by a duly authorised corporate representative and representing not less than one-tenth of the total voting rights of all the members having the right to attend and vote at the meeting; or
- (iv) any member or members present in person or by proxy or by a duly authorised corporate representative and holding shares in the Company conferring a right to attend and vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Unless a poll is so demanded and the demand is not withdrawn, a declaration by the chairman that a resolution has, on a show of hands or count of votes received as electronic record, been carried or carried unanimously or by a particular majority or lost and an entry to that effect in the book of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against that resolution.”;

- (f) by deleting the existing Bye-law 71 in its entirety and substituting therefor the following new Bye-law 71:

“71. All questions submitted to a meeting shall be decided by a simple majority of votes except where a greater majority is required by the Bye-laws or by the Statutes. In the event of an equality of votes whether on a show of hands, count of votes received as electronic record, or on a poll, the chairman of the meeting shall be entitled to a second or casting vote.”;

- (g) by deleting the existing Bye-law 74 in its entirety and substituting therefor the following new Bye-law 74:

“74. Subject to any rights or restrictions for the time being attached to any class or classes of shares, at any general meeting on a show of hands every member present in person or by a count of votes received as electronic record (or, in the case of a member being a corporation, by its duly authorised representative) shall have one vote, and on a poll every member present in person or by proxy or by authorised corporate representative shall have one vote of each share of which he is the holder and which is fully paid up or credited as fully paid up (but so that no amount paid up or credited as paid up on a share in advance of calls or instalments shall be treated for the purpose of this Bye-law as paid up on the share). A person entitled to cast more than one vote upon a poll need not use all his votes or cast all the votes he uses in the same way.”;

- (h) by deleting the words “special resolution” as appeared on the second line of the existing Bye-law 90 and replacing the same with the words “ordinary resolution”;

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- (i) by deleting the existing Bye-law 91 in its entirety and substituting therefor the following new Bye-Law 91:

“91. Without prejudice to the power of the Company in pursuance of the provisions of the Bye-laws of the Company to appoint any person to be a Director and subject to the provisions of the Act, the Directors may appoint any person to be a Director as an additional Director or to fill a casual vacancy but so that the maximum number of Directors so appointed shall not exceed the number determined from time to time by the members in general meeting. Any person so appointed shall hold office only until the next following general meeting (in the case of filling a casual vacancy) or until the next following annual general meeting (in the case of an additional Director), and shall then be eligible for re-election at the meeting but shall not be taken into account in determining the Directors or number of Directors who are to retire by rotation at any annual general meeting.”;

- (j) by deleting the words “a special resolution” as appeared on the existing Bye-law 97 (vii) and replacing the same with the words “an ordinary resolution”;

- (k) by deleting the heading of Bye-law 99 and substituting therefor the following:

**“RETIREMENT BY ROTATION AND RE-ELECTION OF DIRECTORS”;**

- (l) by deleting the existing Bye-law 99(B) in its entirety and substituting therefor the following new Bye-law 99(B):

“99.(B) Notwithstanding any other provisions in the Bye-laws, at each annual general meeting one-third of the Directors for the time being, or if the number is not three or a multiple of three, then the number nearest to but not less than one-third shall retire from office by rotation, provided that every Director shall be subject to retirement at least once every three years or within such other period as the rules of the designated Stock Exchange may from time to time prescribe. A retiring Director shall be eligible for re-election at the annual general meeting at which the retiring Director retires. A Director retiring at a meeting shall retain office until the close of the meeting.”;

- (m) by deleting the existing Bye-law 163 in its entirety and substituting therefor the following new Bye-law 163:

“163.(A) Except where otherwise expressly stated, any notice to be given to or by any person pursuant to these Bye-laws shall be in writing or, to the extent permitted by the Statutes and any applicable rules prescribed by the Designated Stock Exchange from time to time and subject to this Bye-law, contained in an electronic communication. A notice calling a meeting of the Directors need not be in writing.

- (B) A notice or document (including a share certificate) may be served on or delivered to any member of the Company either personally or by sending it through the post in a prepaid envelope or wrapper addressed to such member at his registered address as appearing in the register or by leaving it at that address addressed to the member or by any other means authorised in writing by the member concerned or by publishing it by way of advertisement in at least one English language newspaper and one Chinese language newspaper circulating generally in Hong Kong. Without limiting the generality of the foregoing but subject to the Statutes and any rules prescribed by the Designated Stock Exchange from time to time, a notice or document may be served or delivered by the Company to any member by electronic means to such address as may from time to time be authorised by the member concerned or by

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publishing it on a computer network and notifying the member concerned, in such manner as he may from time to time authorise, that it has been so published.

- (C) Any such notice or document may be served or delivered by the Company by reference to the register as it stands at any time not more than fifteen days before the date of service or delivery. No change in the register after that time shall invalidate that service or delivery. Where any notice or document is served or delivered to any person in respect of a share in accordance with these Bye-laws, no person deriving any title or interest in that share shall be entitled to any further service or delivery of that notice or document.
  - (D) Any notice or document required to be sent to or served upon the Company, or upon any officer of the Company, may be sent or served by leaving the same or sending it through the post in a prepaid envelope or wrapper addressed to the Company or to such officer at the Company's head office or registered office.
  - (E) The Directors may from time to time specify the form and manner in which a notice may be given to the Company by electronic means, including one or more addresses for the receipt of an electronic communication, and may prescribe such procedures as they fit for verifying the authenticity or integrity of any such electronic communication. Any notice may be given to the Company by electronic means only if it is given in accordance with the requirements specified by the Directors.”; and
- (n) by deleting the existing Bye-law 164 in its entirety and substituting therefor the following new Bye-law 164:

“164. Any notice or other document, if sent by mail, postage prepaid, shall be deemed to have been served or delivered on the day following that on which the letter, envelope, or wrapper containing the same is put into the post. In proving such service it shall be sufficient to prove that the letter, envelope or wrapper containing the notice or document was properly addressed and put into the post as prepaid mail. Any notice or document not sent by post but left by the Company at a registered address shall be deemed to have been served or delivered on the day it was so left. Any notice or document, if sent by electronic means (including through any relevant system), shall be deemed to have been given on the day following that on which the electronic communication was sent by or on behalf of the Company. Any notice or document served or delivered by the Company by any other means authorised in writing by the member concerned shall be deemed to have been served when the Company has carried out the action it has been authorised to take for that purpose. Any notice or other document published by way of advertisement or on a computer network shall be deemed to have been served or delivered on the day it was so published.””



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## NOTICE OF ANNUAL GENERAL MEETING

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8. As special business, to consider and, if thought fit, pass the following resolution as Special Resolution:

“**THAT** the Memorandum of Association of the Company be and is hereby amended in the following manner:—

(a) Clause 6

by deleting the existing Clause 6 of the Memorandum of Association and substituting therefor the following new Clause 6:

“6. The objects of the Company are unrestricted.”

(b) Clause 7

by deleting the existing Clause 7 of the Memorandum of Association and substituting therefor the following new Clause 7:

“7. The Company shall have the following powers:

- (i) The powers of a natural person;
- (ii) Subject to the provisions of Section 42 of the Companies Act 1981, the power to issue preference shares which at the option of the holders thereof are to be liable to be redeemed;
- (iii) The power to purchase its own shares in accordance with the provisions of Section 42A of the Companies Act 1981.”

By Order of the Board  
**Lee Shing**  
*Chairman*

As at the date of this circular, the executive Directors are Messrs Lee Shing (Chairman), Liu Yaling, Wang Shaohua and Pei Qingrong; and the independent non-executive Directors are Messrs Yu Xiumin, Zuo Duofu and Cheng Kin Wah, Thomas.

Hong Kong, 27 April 2007

*Notes:*

1. For the purpose of determining the identity of the Shareholders entitled to attend and vote at the Annual General Meeting, the Register of Members will be closed from 22 May 2007 to 25 May 2007 (both days inclusive) during which no transfer of shares will be registered.
2. Any member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote, on a poll, on his behalf. A proxy need not be a member of the Company.
3. A form of proxy for use in connection with the Annual General Meeting is enclosed and such form is also published on the website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)).
4. To be valid, a form of proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power of authority must be lodged with the Company's Hong Kong share registrar, Tengis Limited, at 26/F 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 adjourned Meeting (as the case may be).