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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 Wuling Automobile 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 Wuling Automobile Holdings Limited**  
**(俊山五菱汽車集團有限公司\*)**

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

**PROPOSALS FOR GENERAL MANDATES  
TO REPURCHASE SECURITIES AND TO ISSUE SECURITIES,  
RE-ELECTION OF THE RETIRING DIRECTORS,  
REFRESHMENT OF 10% LIMIT ON THE GRANT OF OPTIONS  
UNDER THE SHARE OPTION SCHEME,  
APPOINTMENT OF THE AUDITORS AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening an annual general meeting of Dragon Hill Wuling Automobile Holdings Limited to be held at Function Rooms I & II, Ground Floor, City Garden Hotel, 9 City Garden Road, North Point, Hong Kong on 23 May 2008, Friday at 11:00 a.m. is set out on pages 25-28 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, Tircor 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.

29 April 2008

\* For identification purposes only

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## CONTENTS

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	<i>Page</i>
<b>Definitions</b> .....	1
 <b>Letter from the Board</b>	
I.    Introduction .....	3
II.   Buyback and Issuance Mandates .....	4
III.  Re-election of the retiring Directors .....	4
IV.  Refreshment of 10% Limit on the Grant of Options under the Share Option Scheme .....	5
V.    Appointment of the Auditors .....	6
VI.   Annual General Meeting .....	6
VII.  Recommendations .....	7
VIII. General information .....	7
 <b>Appendix I</b> – Explanatory Statement – Buyback Mandate .....	8
 <b>Appendix II</b> – Procedures by which Shareholders may demand a poll at general meeting pursuant to the Company’s Bye-Laws .....	13
 <b>Appendix III</b> – Details of the retiring Directors proposed to be re-elected at the Annual General Meeting .....	14
 <b>Appendix IV</b> – Responsibility Statement .....	24
 <b>Notice of Annual General Meeting</b> .....	25

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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 Rooms I & II, Ground Floor, City Garden Hotel, 9 City Garden Road, North Point, Hong Kong on 23 May 2008, Friday at 11:00 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 25-28 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, 23 May 2006 and 25 May 2007 respectively
“Company”	Dragon Hill Wuling Automobile Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on 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”	17 April 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited as amended from time to time

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## DEFINITIONS

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“Option”	option granted to the eligible persons under the Share Option Scheme
“Scheme Mandate Limit”	the maximum number of Shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme of the Company
“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
“Share Option Scheme”	the share option scheme of the Company adopted by the Company on 11 June 2002
“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

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## LETTER FROM THE BOARD

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### Dragon Hill Wuling Automobile Holdings Limited (俊山五菱汽車集團有限公司\*)

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

**Executive Directors:**

Mr. Lee Shing (*Chairman & Chief Executive Officer*)  
Mr. He Shiji (*Vice-Chairman*)  
Mr. Sun Shaoli  
Mr. Wei Hongwen  
Ms. Liu Yaling  
Mr. Pei Qingrong  
Mr. Wang Shaohua

**Independent Non-Executive Directors:**

Mr. Yu Xiumin  
Mr. Zuo Duofu  
Mr. Cheng Kin Wah, Thomas

**Registered Office:**

Canon's Court,  
22 Victoria Street,  
Hamilton HM12,  
Bermuda

**Principal place of business  
in Hong Kong:**

Unit 505, 5/F.,  
China Insurance Group Building,  
141 Des Voeux Road Central,  
Hong Kong

29 April 2008

*To the Shareholders*

Dear Sir or Madam,

**PROPOSALS FOR GENERAL MANDATES  
TO REPURCHASE SECURITIES AND TO ISSUE SECURITIES,  
RE-ELECTION OF THE RETIRING DIRECTORS,  
REFRESHMENT OF 10% LIMIT ON THE GRANT OF OPTIONS  
UNDER THE SHARE OPTION SCHEME,  
APPOINTMENT OF THE AUDITORS 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 re-election of the retiring Directors of the Company; (iii) the refreshment of 10% limit on the grant of Options under the Share Option Scheme; and (iv) the appointment of the auditors and to seek your approval of the ordinary 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 25 May 2007, 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 securities 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. RE-ELECTION OF THE RETIRING DIRECTORS

In accordance with Bye-law 91 of the Company, Messrs. He Shiji, Sun Shaoli and Wei Hongwen who are appointed directors of the Company during the year 2007, will retire at the Annual General Meeting, and being eligible, offer themselves for re-election at the Annual General Meeting.

Besides, Mr. Lee Shing and Ms. Liu Yaling and Mr. Cheng Kin Wah, Thomas shall retire by rotation at the Annual General Meeting and, being eligible, offer themselves for re-election at the Annual General Meeting pursuant to Bye-law 99(B) of the Company.

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

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## LETTER FROM THE BOARD

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### IV. REFRESHMENT OF 10% LIMIT ON THE GRANT OF OPTIONS UNDER THE SHARE OPTION SCHEME

The Share Option Scheme was adopted by the Shareholders of the Company. Apart from the Share Option Scheme, the Company has no other share option scheme currently in force. Pursuant to the Share Option Scheme, the maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme(s) of the Company (i.e. the Scheme Mandate Limit), shall not exceed 10% of the total number of Shares in issue as at the date of adoption of the Share Option Scheme, representing 15,375,604 Shares. The Company may refresh the Scheme Mandate Limit by an ordinary resolution of the Shareholders at general meeting provided that:

- (a) the Scheme Mandate Limit so refreshed shall not exceed 10% of the total number of Shares in issue as at the date of the Shareholders' approval of the refreshment of the Scheme Mandate Limit; and
- (b) options previously granted under the Share Option Scheme and any other share option scheme(s) of the Company (including those outstanding, cancelled, or lapsed in accordance with the relevant scheme rules or exercised options) shall not be counted for the purpose of calculating the Scheme Mandate Limit as refreshed.

Notwithstanding the foregoing, the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme(s) of the Company must not in aggregate exceed 30% of the total number of Shares in issue from time to time.

The maximum number of the Option eligible to be granted, namely 15,375,604 Shares, under the Share Option Scheme had been adjusted pursuant to: (1) the share reduction scheme which took effect on 19 June 2006, details of which has been stated in the Company's circular dated 29 April 2006; and (b) the share consolidation exercise which took effect on 29 November 2006, details of which has been stated in the Company's circular dated 9 November 2006.

The Company has previously granted options under the Share Option Scheme. As at the Latest Practicable Date, options carrying rights to subscribe for 15,320,000 Shares have been granted and are outstanding under the Share Option Scheme. Accordingly, the available limit under the Scheme Mandate Limit can only allow the grant of options to subscribe for 55,604 Shares, representing less than 0.01% of the total issued share capital of the Company as at the Latest Practicable Date.

The Board considers that share option is an important incentive for motivating and/or rewarding the Group's employees to contribute to the success of the Group's business and financial performance. As the granting of options to the employees of the Group will not affect the Group's cash flow but will help the Company to retain and/or recruit employees and to provide them with a direct economic interest in attaining the long term business objectives of the Company, the Board has decided to grant to those eligible persons such number of options which will provide sufficient incentives to them to

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## LETTER FROM THE BOARD

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achieve the Group's business goals. In order to facilitate the Company to maximise the use of options to retain and/or recruit employees, the Company wishes to take the opportunity of the Annual General Meeting to seek Shareholders' approval for refreshment of the Scheme Mandate Limit.

If the refreshment of the Scheme Mandate Limit is approved at the Annual General Meeting, based on the 917,288,049 Shares in issue as at the Latest Practicable Date and assuming no further Shares will be allotted and issued and no Shares will be repurchased after the Latest Practicable Date and up to the date of the Annual General Meeting, the Company may grant further options carrying rights to subscribe for up to a total of 91,728,804 Shares under the Share Option Scheme (representing 10% of the issued share capital of the Company as at the date of the Annual General Meeting). The Board considers that refreshment of the Scheme Mandate Limit is in the interests of the Company and its Shareholders as a whole. The refreshment of the Scheme Mandate Limit is conditional on:

- (a) the passing of the necessary resolution to approve the refreshment of the Scheme Mandate Limit by the Shareholders at the Annual General Meeting; and
- (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in such number of Shares representing 10% of the Shares in issue as at the date of the Annual General Meeting, which may be issued pursuant to exercise of options to be granted under the refreshed Scheme Mandate Limit.

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Shares to be issued by the Company (representing 10% of the Shares in issue as at the date of the Annual General Meeting) which may be issued pursuant to exercise of options to be granted under the refreshed Scheme Mandate Limit.

### V. APPOINTMENT OF THE AUDITORS

Deloitte Touche Tohmatsu ("Deloitte") were appointed as the Auditors of the Company to fill the causal vacancy occasioned by the resignation of Ernst & Young on 10 September 2007 and to hold office until the conclusion of the next annual general meeting of the Company. Pursuant to section 89(3) of the Companies Act, a Shareholder has given the Company a notice of intention to nominate Deloitte as the Auditors of the Company and an ordinary resolution will be proposed at the Annual General Meeting accordingly.

### VI. ANNUAL GENERAL MEETING

The notice of the Annual General Meeting is set out on pages 25-28 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 Mandate; (c) the re-election of the retiring Directors; and (d) the refreshment of 10% limit on the grant of Options under the Share Option Scheme. 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.



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## LETTER FROM THE BOARD

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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, Tricor 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.

### VII. 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 re-election of the retiring Directors, the refreshment of 10% limit on the grant of Options under the Share Option Scheme and the appointment of Deloitte as Auditors of the Company 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.

### VIII. 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*

*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 917,288,049 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 91,728,804 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 Bye-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 2007) 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 <i>HK\$</i>	Lowest <i>HK\$</i>
<b>2007</b>		
April	1.97	1.48
May	1.85	1.40
June	2.35	1.36
July	3.13	2.17
August	3.18	1.88
September	2.75	2.27
October	2.55	2.00
November	2.62	2.18
December	2.49	2.03
<b>2008</b>		
January	2.27	1.77
February	2.00	1.81
March	1.97	1.60
April (upto Latest Practicable Date)	2.00	1.80

## 5. DISCLOSURE OF INTEREST

As at the Latest Practicable Date, the interest of substantial shareholders of the Company were as follows:

Substantial Shareholders	Capacity	Nature of interest	Number of ordinary shares	Percentage of issued share capital
Lee Shing (“Mr. Lee”) (notes 1 and 2)	Interest in controlled corporation	Corporate	280,959,613	30.63%
Dragon Hill Development Limited (俊山發展有限公司) (“Dragon Hill”) (notes 1 and 2)	Beneficial Owner	Corporate	280,959,613	30.63%
五菱 (香港) 控股有限公司 (Wuling (Hong Kong) Holdings Limited) (“Wuling HK Holdings”) (notes 1 and 3)	Beneficial Owner	Corporate	266,500,000	29.05%
五菱汽車 (香港) 有限公司 (Wuling Motors (Hong Kong) Company Limited) (“Wuling HK”) (notes 1 and 3)	Interest in controlled corporation	Corporate	266,500,000	29.05%
柳州五菱汽車有限責任公司 (Liuzhou Wuling Motors Company Limited*) (“Wuling”) (notes 1 and 3)	Interest in controlled corporation	Corporate	266,500,000	29.05%
Zhou Sheji (“Mr. Zhou”) (note 4)	Beneficial Owner/ interest in controlled corporation	Personal/ Corporate	91,530,000	9.98%
Gao Bao Development Limited (“Gao Bao”) (note 4)	Beneficial Owner	Corporate	90,280,000	9.84%

\* For identification purpose only

*Notes:*

- (1) Reference is made to the circular of the Company issued on 25 June 2007 (the “Circular”) and unless the context herewith otherwise requires, terms used in this note shall have the same meanings as in the Circular. A share charge has been created on the 280,959,613 ordinary shares held by Dragon Hill in favour of Wuling pursuant to the execution of the Share Charge Documents on 28 August 2007 in which Dragon Hill has agreed to guarantee and undertake to procure (i) the due performance of the Company under the JV Agreements, and (ii) the Company not to allot and issue any of the new shares of the Company without the prior written consent of Wuling during the Guarantee Period (i.e., the 36 month-period from the date of the Share Charge). According to the Share Sale Agreement, the Share Charge Documents should be executed simultaneously with the completion of the Share Sale Agreement and that if the Company fails to duly perform its obligations pursuant to any of the JV Agreements or if the Company issues any of the new shares in breach of its undertaking, Wuling (or its wholly-owned subsidiary(ies) shall have the right to acquire the Charged Shares (i.e., the 280,959,613 ordinary shares held by Dragon Hill, being all of the shares of the Company held by Dragon Hill upon completion of the Share Sale Agreement which are agreed to be charged to Wuling (or its wholly-owned subsidiary(ies) by Dragon Hill under the Share Charge) from Dragon Hill at the price of HK\$0.29 per Charged Shares during the Guaranteed Period.
- (2) The entire issued share capital of Dragon Hill is legally and beneficially owned by Mr. Lee. Mr. Lee is therefore deemed to have an interests in the Shares in which Dragon Hill is interested.
- (3) The entire issued share capital of Wuling HK Holdings is held by Wuling HK, whereas the entire issued share capital of Wuling HK is held by Wuling. Accordingly, Wuling HK and Wuling are deemed to have an interests in the Shares in which Wuling HK Holdings is interested.
- (4) The Company also noted from the website of the Stock Exchange of that each of Mr. Zhou and Gao Bao has filed disclosure form in respect his/its interest in the issued share capital of the Company pursuant to Section 324 of Part XV of the SFO. The long positions reported by Gao Bao was aggregated in the long positions of Mr. Zhou as Gao Bao was reported as wholly owned by Mr. Zhou.

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 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 Bye-laws of the Company, the Listing Rules, the laws of Bermuda and other applicable laws.

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.

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.

Assuming that the substantial shareholders do not dispose of its shares of the Company, if the Buyback Mandate were exercised in full, the percentage shareholdings of the substantial shareholders before and after such repurchase would be as follows:-

<b>Substantial Shareholders</b>	<b>Before Buyback Mandate</b>	<b>After Buyback Mandate</b>
Mr. Lee	30.63%	34.03%
Dragon Hill	30.63%	34.03%
Wuling HK Holdings	29.05%	32.28%
Wuling HK	29.05%	32.28%
Wuling	29.05%	32.28%
Mr. Zhou	9.98%	11.09%
Gao Bao	9.84%	10.94%

The Directors consider that such an increase would give rise to an obligation on the part of all the substantial shareholders to make a mandatory offer under Rule 26 of the Takeovers Code. However, the Directors consider that, in absence of any special circumstances, they have no intention to exercise the Buyback Mandate to such as extent.

## **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 or by a count of votes received in the form of electronic record, unless a poll is (before or on the declaration of the result of the show of hands or count of votes as electronic records) 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 50, AN EXECUTIVE DIRECTOR (“Mr. Lee”)**

**(a) 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, Liuzhou Wuling Motors Industrial Company Limited (柳州五菱汽車工業有限公司) (“Wuling Industrial”), Dragon Hill Financial Services Limited, Dragon Hill Credit Limited, Dragon Hill (HK) Limited, Hilcrest Limited and Jenpoint Limited.

**(b) 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 currently a member of the Committee of The Chinese People’s Political Consultative Conference of Liuzhou, Guangxi Province, the PRC. Mr. Lee has not held any directorship in other public listed companies in the last 3 years.

**(c) 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 but is subject to retirement by rotation and re-election in accordance with the provision of the Bye-laws.

**(d) 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, a substantial 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.



**(e) 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 280,959,613 Shares (30.63%) of the issued share capital of the Company within the meaning of Part XV of the Securities and Futures Ordinance. All of these shares, on 28 August 2007, were charged to Wuling (Hong Kong) Holdings Limited (五菱(香港)控股有限公司), a wholly-owned subsidiary of Liuzhou Wuling Motors Company Limited (柳州五菱汽車有限責任公司), by executing the respective share charge documents pursuant to the share sale agreement dated 15 May 2007, details of which may refer to the circular of the Company dated 25 June 2007.

**(f) 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, a bonus of not more than one month salary payable on discretion and a half year allowance of HK\$30,000 for his service as the Chairman and Executive Director of the Company and the Chief Executive Officer 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.

**(g) 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.

**(h) 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 32, AN EXECUTIVE DIRECTOR (“Ms. Liu”)****(a) 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.

**(b) 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 9 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.

**(c) 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 but is subject to retirement by rotation and re-election in accordance with the provision of the Bye-laws.

**(d) 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.

**(e) 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 held 350,000 share options granted by the Company which may be exercised between 21 January 2008 to 31 December 2009 (both days inclusive) with an exercise price of HK\$2.318 per option. Other than disclosed above, Ms. Liu does not have any interest in the Company’s Shares within the meaning of Part XV of the Securities and Futures Ordinance.

- (f) **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, a bonus of not more than one month salary payable on discretion and a half year allowance of HK\$3,000 for her service as Executive Director of the Company, 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.

- (g) **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.

- (h) **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. CHENG KIN WAH, AGED 42, AN INDEPENDENT NON-EXECUTIVE DIRECTOR ("Mr. Cheng")**

- (a) **Positions held with other members of the Company's group**

Mr. Cheng was appointed an independent non-executive director, the Chairman of the Audit Committee and a member of the Remuneration Committee of the Company on 22 June 2006. Other than that, Mr. Cheng does not hold any positions with other members of the Group.

- (b) **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 Accounts in Hong Kong and The Institute of Chartered Accountants in England and Wales. 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.

**(c) Length or proposed length of service with the Company**

Mr. Cheng is an independent non-executive director of the Company since June 2006. The Company and Mr. Cheng has entered into a service contract for three (3) years but is also subject to retirement by rotation and re-election in accordance with the provision of the Bye-laws.

**(d) 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.

**(e) 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 held 180,000 share options granted by the Company which may be exercised between 21 January 2008 to 31 December 2009 (both days inclusive) with an exercise price of HK\$2.318 per option. Other than disclosed above, Mr. Cheng does not have any interest in the Company's Shares within the meaning of Part XV of the Securities and Futures Ordinance.

**(f) 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, a bonus of not more than one month salary payable on discretion and a half year allowance of HK\$3,000 for his service as Independent Non-Executive Director, the Chairman of the Audit Committee and a member of the Remuneration Committee 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.

**(g) 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.

**(h) 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).

**(4) MR. HE SHIJI, AGED 59, AN EXECUTIVE DIRECTOR (“Mr. He”)**

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

Mr. He was appointed an executive director of the Company on 10 September 2007. He is currently the Vice-chairman of the Company. Other than that, Mr. He also holds directorship in our principal subsidiaries namely, Wuling Industrial, Liuzhou Wuling Liuji Motors Company Limited (柳州五菱柳機動力有限公司) (“Wuling Liuji”), Liuzhou Wuling Motors United Development Company Limited (柳州五菱汽車聯合發展有限公司) (“Wuling United Development”) and Liuzhou Wuling Specialised Vehicles Manufacturing Company Limited (柳州五菱專用汽車製造有限公司) (“Wuling Specialised Vehicles”).

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

Mr. He obtained a master degree in business administration from the University of Western Sydney in 1999 and is a senior engineer. Mr. He has more than 30 years of experience in the engineering and automobile manufacturing industries. He is currently the chairman of Liuzhou Wuling Motors Company Limited (柳州五菱汽車有限責任公司) (“Wuling”), a substantial shareholder of the Company. Mr. He also serves as a director and the vice chairman of SAIC-GM-Wuling Automobile Co., Ltd. (上汽通用五菱汽車股份有限公司), a joint venture formed by Shanghai Automobile Industry (Group) Company, General Motors China and Wuling, our major customer in the automotive engines and components business, in which Wuling has a 15% shareholding interests. Mr. He does not hold or did not hold any directorships in other public listed companies in the last 3 years.

**(c) Length or proposed length of service with the Company**

Mr. He is an executive director of the Company since September 2007. There is no service contract entered into between Mr. He and the Company. Mr. He is not appointed for a specific term but is subject to retirement by rotation and re-election in accordance with the provision of the Bye-laws.

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

Save as disclosed in (b) above, Mr. He does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company.

**(e) 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. He does not have any interest in the Company's Shares within the meaning of Part XV of the Securities and Futures Ordinance.

**(f) 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. He receives HK\$10,000 per month as fee, a bonus of not more than one month salary payable on discretion and a half year allowance of HK\$3,000 for his service as Executive Director and the Vice-chairman of the Company. Besides, Mr. He also receives salary from Wuling Industrial for his services as a director of this subsidiary which includes a basic salary of RMB12,000 per month and an additional annual salary remunerated in accordance with the business performance of Wuling Industrial. Mr. He's remuneration package 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.

**(g) 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. He 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.

**(h) 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. He 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. SUN SHAOLI, AGED 52, AN EXECUTIVE DIRECTOR ("Mr. Sun")**

**(a) Positions held with other members of the Company's group**

Mr. Sun was appointed an executive director of the Company on 10 September 2007. Other than that, Mr. Sun also holds directorship in our principal subsidiaries namely, Wuling Industrial, Wuling Liuji, Wuling United Development and Wuling Specialised Vehicles.

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

Mr. Sun Shaoli, aged 51, was appointed as executive director of the Company on 10 September 2007. Mr. Sun obtained a master degree in business administration from Harbin Industrial University (哈爾濱工業大學) in 1988 and is a senior economist. Mr. Sun has about 25 years' experience in the automobile manufacturing industry. He is currently a director of Wuling, a substantial shareholder of the Company. Besides, Mr Sun also serves a director of SAIC-GM-Wuling Automobile Co., Ltd. (上汽通用五菱汽車股份有限公司), our major customer in the automotive engines and components business. Mr. Sun does not hold or did not hold any directorships in other public listed companies in the past 3 years.

**(c) Length or proposed length of service with the Company**

Mr. Sun is an executive director of the Company since September 2007. There is no service contract entered into between Mr. He and the Company. Mr. He is not appointed for a specific term but is subject to retirement by rotation and re-election in accordance with the provision of the Bye-laws.

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

Save as disclosed in (b) above, Mr. He does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company.

**(e) 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. Sun does not have any interest in the Company's Shares within the meaning of Part XV of the Securities and Futures Ordinance.

**(f) 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. Sun receives HK\$10,000 per month as fee, a bonus of not more than one month salary payable on discretion and a half year allowance of HK\$3,000 for his service as 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.

**(g) 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. Sun 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.

**(h) 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. Sun 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. WEI HONGWEN, AGED 45, AN EXECUTIVE DIRECTOR (“Mr. Wei”)**

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

Mr. Wei was appointed an executive director of the Company on 10 September 2007. Other than that, Mr. Wei also holds directorship in our principal subsidiaries namely, Wuling Industrial, Wuling Liuji, Wuling United Development and Wuling Specialised Vehicles. Mr. Wei does not hold any positions with other members of the Group.

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

Mr. Wei obtained a master degree in economics from Sun Yat-Sen University (中山大學) in 1995 and is a senior engineer. Mr. Wei has about 25 years’ experience in the automobile manufacturing industry. He is currently a director of Wuling, a substantial shareholder of the Company. Mr. Wei does not hold or did not hold any directorships in other public listed companies in the past 3 years.

**(c) Length or proposed length of service with the Company**

Mr. Wei is an executive director of the Company since September 2007. There is no service contract entered into between Mr. Wei and the Company. Mr. Wei is not appointed for a specific term but is subject to retirement by rotation and re-election in accordance with the provision of the Bye-laws.

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

Save as disclosed in (b) above, Mr. Wei does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company.



**(e) 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. Wei does not have any interest in the Company's Shares within the meaning of Part XV of the Securities and Futures Ordinance.

**(f) 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. Wei receives HK\$10,000 per month as fee, a bonus of not more than one month salary payable on discretion and a half year allowance of HK\$3,000 for his service as Executive Director of the Company. Besides, Mr. Wei also receives salary from Wuling Industrial for his services as a director of this subsidiary which includes a basic salary of RMB10,000 per month and an additional annual salary remunerated in accordance with the business performance of Wuling Industrial. Mr. Wei's remuneration package 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.

**(g) 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. Wei 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.

**(h) 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. Wei 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).

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

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## NOTICE OF ANNUAL GENERAL MEETING

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### Dragon Hill Wuling Automobile Holdings Limited (俊山五菱汽車集團有限公司\*)

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

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of Dragon Hill Wuling Automobile Holdings Limited (“the Company”) will be held at Function Rooms I & II, Ground Floor, City Garden Hotel, 9 City Garden Road, North Point, Hong Kong on 23 May 2008, Friday, at 11:00 a.m. for the following purposes:

1. To receive and consider the Audited Financial Statements and the Reports of the Directors and of the Auditors for the year ended 31 December 2007.
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 auditors of the Company 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

\* For identification purpose only

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## NOTICE OF ANNUAL GENERAL MEETING

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- (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.”
  
- 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,

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## NOTICE OF ANNUAL GENERAL MEETING

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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 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.”

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## NOTICE OF ANNUAL GENERAL MEETING

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

**“THAT**, subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in such number of Shares in the capital of the Company representing 10% of the Shares in issue as at the date of passing this resolution, which may be issued pursuant to exercise of options to be granted under the Refreshed Scheme Mandate Limit (as defined below), the existing scheme mandate limit under the share option scheme adopted by the Company on 11 June 2002 (“Share Option Scheme”) be refreshed so that the number of Shares to be allotted and issued pursuant to the exercise of the options under the Share Option Scheme and other share option scheme(s) of the Company (excluding options previously granted, outstanding, cancelled, lapsed or exercised) shall not exceed 10% of the Shares in issue as at the date of the passing of this resolution (“Refreshed Scheme Mandate Limit”) and that any director of the Company be and are hereby authorized to do such act and execute such document to effect the Refreshed Scheme Mandate Limit.”

By Order of the Board

**Lee Shing**

*Chairman*

*As at the date of this circular, the Board comprises Mr. Lee Shing (Chairman and Chief Executive Officer), Mr. He Shiji (Vice-Chairman), Mr. Sun Shaoli, Mr. Wei Hongwen, Ms. Liu Yaling, Mr. Pei Qingrong and Mr. Wang Shaohua as executive directors and Mr. Yu Xiumin, Mr. Zuo Duofu and Mr. Cheng Kin Wah, Thomas as independent non-executive directors.*

Hong Kong, 29 April 2008

*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, Wednesday, 21 May 2008 to, Friday, 23 May 2008 (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.hkexnews.hk](http://www.hkexnews.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, Tricor 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).