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

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

**If you have sold or transferred** all your shares in Mongolia Energy Corporation Limited, you should at once hand this circular together with the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer 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 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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**MONGOLIA ENERGY CORPORATION LIMITED**

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 276)

**PROPOSALS FOR RE-ELECTION OF RETIRING DIRECTORS  
AND  
REFRESHMENT OF SHARE OPTION SCHEME LIMIT  
AND  
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A letter from the board of directors of Mongolia Energy Corporation Limited is set out on pages 3 to 6 of this circular.

A notice convening an annual general meeting of Mongolia Energy Corporation Limited to be held at Room Annapurna, Pacific Place Conference Centre, Level 5, One Pacific Place, 88 Queensway, Hong Kong, Hong Kong on Tuesday, August 28, 2007 at 2:30 p.m. is set out on pages 12 to 16 of this circular. Whether or not you are able to attend the meeting in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the principal place of business of Mongolia Energy Corporation Limited in Hong Kong at Rooms 1502-5, New World Tower 1, 16-18 Queen's Road Central, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for the holding of such meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the meeting or any adjourned meeting should you so desire.

July 26, 2007



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## DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at Room Annapurna, Pacific Place Conference Centre, Level 5, One Pacific Place, 88 Queensway, Hong Kong, Hong Kong on Tuesday, August 28, 2007 at 2:30 p.m.
“AGM Notice”	the notice convening the AGM as set out on pages 12 to 16 of this circular
“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company, as amended and supplemented
“Company”	Mongolia Energy Corporation Limited, a company incorporated in Bermuda with limited liability, whose Shares are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“General Mandates”	the Issue Mandate and the Repurchase Mandate
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	a general mandate proposed to be granted to the Directors to exercise all the powers of the Company to allot, issue and deal with Shares in the manner as set out in the ordinary resolution numbered 5 of the AGM Notice
“Latest Practicable Date”	July 19, 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
“Repurchase Mandate”	a general mandate proposed to be granted to the Directors to exercise all the powers of the Company to repurchase Shares in the manner as set out in the ordinary resolution numbered 6 of the AGM Notice

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## DEFINITIONS

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“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.02 each in the share capital of the Company
“Share Option Scheme”	the existing share option scheme adopted by the Company on August 28, 2002
“Share Option Scheme Limit”	the maximum number of Shares which may be issued upon the exercise of all share options granted or to be granted under the Share Option Scheme and any other share option schemes as may from time to time be adopted by the Company as permitted under the Listing Rules, being 10% of the Company’s issued share capital as at the date of the approval of the Share Option Scheme or of the refreshment of such limit
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

# MEG

## MONGOLIA ENERGY CORPORATION LIMITED

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 276)

*Executive Directors:*

Mr. Lo Lin Shing, Simon (*Chairman*)

Ms. Yvette Ong

*Non-executive Director:*

Mr. To Hin Tsun, Gerald

*Independent Non-executive Directors:*

Mr. Peter Pun, *OBE, JP*

Mr. Tsui Hing Chuen, *William, JP*

Mr. Lau Wai Piu

*Registered office:*

Clarendon House

Church Street

Hamilton HM 11

Bermuda

*Head office and principal place  
of business in Hong Kong:*

Rooms 1502-5

New World Tower 1

16-18 Queen's Road Central

Hong Kong

July 26, 2007

*To the Shareholders*

Dear Sir or Madam,

**PROPOSALS FOR RE-ELECTION OF RETIRING DIRECTORS  
AND  
REFRESHMENT OF SHARE OPTION SCHEME LIMIT  
AND  
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

### INTRODUCTION

The purpose of this circular is to give you details of the following proposals which, together with other ordinary business, will be proposed at the AGM for consideration and, where appropriate, approval of the Shareholders:

- (i) re-election of retiring Directors;
- (ii) refreshment of the Share Option Scheme Limit; and
- (iii) grant of the General Mandates.

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## LETTER FROM THE BOARD

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The AGM Notice is set out on pages 12 to 16 of this circular.

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

At the forthcoming AGM, Mr. To Hin Tsun, Gerald and Mr. Tsui Hing Chuen, William will retire from office in accordance with Bye-law 86 and 87 of the Bye-laws of the Company and being eligible, offer themselves for re-election. Pursuant to Rule 13.74 of the Listing Rules, the details of the above retiring directors required under Rule 13.51(2) of the Listing Rules are set out in Appendix I.

### **REFRESHMENT OF SHARE OPTION SCHEME LIMIT**

On September 7, 2006, the Shareholders approved the refreshment of the Share Option Scheme Limit so that the total number of Shares which may fall to be issued upon exercise of all share options to be granted under the Share Option Scheme and any other share option schemes as may from time to time be adopted by the Company shall not exceed 177,417,959 Shares, being 10% of the issued share capital of the Company as at September 7, 2006.

From September 7, 2006 and up to the Latest Practicable Date, a total of 32,850,000 share options have been granted under the Share Option Scheme, with 4,350,000 share options being exercised and 500,000 share options being lapsed. Unless the Share Option Scheme Limit is “refreshed”, remaining share options to subscribe for a total of 145,067,959 Shares granted under the Share Option Scheme.

If the Share Option Scheme Limit is refreshed, on the basis of 2,616,362,363 Shares in issue as at the Latest Practicable Date and assuming that no Shares are issued or repurchased prior to the AGM, the Board will be able to grant share options for subscription of up to 261,636,236 Shares, which do not include the share options that are outstanding, cancelled, or lapsed as at the AGM.

The purpose of the Share Option Scheme is to provide incentives or rewards to the eligible persons for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group. In order to achieve the intended purpose of the Share Option Scheme for the benefits of the Group and the Shareholders, the Directors propose the passing of an ordinary resolution at the AGM for “refreshing” the Share Option Scheme Limit.

The refreshment of the Share Option Scheme Limit is conditional upon:

- (a) the passing of an ordinary resolution to approve the refreshment of the Share Option Scheme Limit by the Shareholders at the AGM; and
- (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares (representing a maximum of 10% of the Shares in issue as at the date of the AGM approving the refreshment of the Share Option Scheme Limit) which may fall to be issued pursuant to the exercise of share options under the Share Option Scheme and any other share option schemes of the Company.

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## LETTER FROM THE BOARD

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Application will be made to the Listing Committee of the Stock Exchange for the granting the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of share options granted or to be granted under the Share Option Scheme and any other share option schemes of the Company.

### GENERAL MANDATES

The current general mandates granted to the Directors to issue and repurchase Shares will expire at the conclusion of the AGM. The Directors will ask for renewal of such authorities by proposing resolutions numbered 5, 6 and 7 as ordinary resolutions for consideration and approval of the Shareholders.

In order to provide flexibility and discretion to the Directors to issue new Shares, an ordinary resolution will be proposed at the AGM that the Directors be granted the Issue Mandate to allot and issue new Shares up to an amount not exceeding 20% of the issued capital of the Company at the time of passing such resolution and a separate ordinary resolution will also be proposed to extend the Issue Mandate by adding the aggregate nominal amount of any Shares repurchased by the Company pursuant to the Repurchase Mandate.

At the AGM, an ordinary resolution will be proposed to the Shareholders that the Directors be granted the Repurchase Mandate to repurchase Shares up to a maximum of 10% of the issued share capital of the Company at the time of passing such resolution. An explanatory statement as required under the Listing Rules to provide the requisite information concerning the Repurchase Mandate is set out in the Appendix II to this circular.

### AGM AND PROCEDURE FOR DEMANDING A POLL

The AGM Notice is set out on pages 12 to 16 of this circular. A form of proxy for use at the AGM is also enclosed with this circular. Whether or not you are able to attend the AGM in person, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the principal place of business of the Company in Hong Kong at Rooms 1502-5, New World Tower 1, 16-18 Queen's Road Central, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for the holding of the AGM. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so desire.

Pursuant to Bye-law 66 of the Bye-laws, all resolutions put to the vote of the Shareholders at the AGM shall be decided on a show of hands, unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (i) by the chairman of the meeting; or
- (ii) by at least three Shareholders present in person or by proxy for the time being entitled to vote at the meeting; or

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## LETTER FROM THE BOARD

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- (iii) by a Shareholder or Shareholders present in person or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or
- (iv) by a Shareholder or Shareholders present in person or by proxy and holding Shares conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all Shares conferring that right; or
- (v) if required by the Listing Rules, by any Director or Directors who, individually or collectively, hold proxies in respect of Shares representing 5% or more of the total voting rights of all the Shareholders having the right to vote at the meeting.

In addition, under the Listing Rules, if the chairman of the meeting and/or the Directors individually or collectively hold(s) proxies in respect of Shares holding 5% or more of the total voting rights of the Company at the AGM, and if the votes cast at the AGM on a show of hands are in the opposite manner to that instructed in those proxies, then the chairman shall demand a poll. However, if it is apparent from the total proxies held that a vote taken on a poll will not reverse the vote taken on a show of hands, then the chairman shall not be required to demand a poll.

### **DOCUMENT FOR INSPECTION**

A copy of the Bye-laws is available for inspection during normal business hours at the head office and principal place of business of the Company in Hong Kong at Rooms 1502-5, New World Tower 1, 16-18 Queen's Road Central, Hong Kong from the date of this circular up to and including the date of the AGM and at the AGM.

### **RECOMMENDATION**

The Directors consider that the proposals described in this circular are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends all Shareholders to vote in favour of the resolutions regarding the re-election of retiring Directors, the refreshment of the Share Option Scheme Limit and the grant of the General Mandates to be proposed at the AGM.

### **GENERAL**

Your attention is drawn to the additional information set out in the Appendix.

Yours faithfully,  
For and on behalf of the Board  
**Lo Lin Shing, Simon**  
*Chairman*



The biographical and other details of retiring Directors standing for re-election at the AGM are set out as below:–

- (1) Mr. To Hin Tsun, Gerald, aged 58, was appointed as an independent non-executive Director of the Company in August 12, 1999 and changed his role to non-executive Director on October 17, 2000. Mr. To has been a practising solicitor in Hong Kong since 1975. Mr. To is also a qualified solicitor in the United Kingdom, as well as an advocate and solicitor in Singapore. Mr. To is currently the senior and managing partner of Messrs. T. S. Tong & Co., Solicitors and Notaries. Mr. To is also an executive director of International Entertainment Corporation (stock code 8118), non-executive director of NWS Holdings Limited (stock code 659) and Taifook Securities Group Limited (stock code 665), all of which are companies whose shares are listed on the Stock Exchange. Save as disclosed above, in the last three years immediately prior to the Latest Practicable Date, Mr. To also served as an executive Director of New World Mobile Holdings Limited (stock code 862) from July 2004 to February 2007.

Mr. To has not entered into any service contract with the Company and is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-laws. Mr. To is entitled to a remuneration of HK\$100,000 per annum, which is determined by reference to his duties and responsibilities with the Company, subject to review by the Board from time to time. Save as aforesaid, Mr. To has not had other remuneration such as bonus and other kinds of benefits.

As at the Latest Practicable Date, Mr. To had personal interests in 3,000,000 Shares, representing approximately 0.11% of the issued share capital of the Company and he had personal interests in the options to subscribe for 744 Shares of the Company which are required to be notified to the Company and the Stock Exchange under Part XV of the SFO. Other than his role as a non-executive Director, Mr. To does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

Save as disclosed above, there is no other matter that need to be brought to the attention of the Shareholders and there is no information to be disclosed pursuant to any of the requirements of the provisions under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

- (2) Mr. Tsui Hing Chuen, William *JP*, aged 56, was appointed as an independent non-executive Director on September 8, 2006. Mr. Tsui is also a member of the Audit Committee and Remuneration Committee of the Company. Mr. Tsui is the founder partner of Messrs. Lo, Wong & Tsui, Solicitors & Notaries since 1980. Mr. Tsui has been a solicitor of the High Court of Hong Kong since 1977, a solicitor of the Supreme Court of England & Wales since 1980 as well as a barrister and solicitor of the Supreme Court of Victoria, Australia since 1983. Mr. Tsui has also been an advocate and solicitor in Singapore since 1985 and a notary public appointed by the Archbishop of Canterbury England since 1988.

Mr. Tsui was appointed as a Justice of The Peace by the Government of Hong Kong in 1997. Mr. Tsui is also an independent non-executive director of Taifook Securities Group Limited (stock code 665 ) and New World Mobile Holdings Limited (stock code 862), all of which are companies whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Save as disclosed above, Mr. Tsui did not hold any directorship in any other listed public company in the past three years immediately prior to the Latest Practicable Date.

Mr. Tsui has not entered into any service contract with the Company and is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-laws. Mr. Tsui is entitled to a remuneration of HK\$100,000 per annum, which is determined by reference to his duties and responsibilities with the Company, subject to review by the Board from time to time. Save as aforesaid, Mr. Tsui has not had other remuneration such as bonus and other kinds of benefits.

As at the Latest Practicable Date, Mr. Tsui had personal interests in 500,000 Shares, representing approximately 0.01% of the issued share capital of the Company and he had no personal interests in the share options of the Company which are required to be notified to the Company and the Stock Exchange under Part XV of the SFO.

Save as disclosed above, there is no other matter that need to be brought to the attention of the Shareholders and there is no information to be disclosed pursuant to any of the requirements of the provisions under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

This is an explanatory statement given to the Shareholders relating to resolution numbered 6 granting the Repurchase Mandate to the Directors. It contains a summary of the information required pursuant to Rule 10.06(1)(b) of the Listing Rules which is set out as follows:

### **(1) Exercise of the Repurchase Mandate**

Resolution numbered 6 set out in the AGM Notice will, if passed, give a general unconditional mandate to the Directors authorising the repurchase by the Company of the issued and fully paid Shares up to a maximum of 10% of the nominal amount of the share capital of the Company as at the date of the AGM. It will be valid until the next annual general meeting unless revoked or varied before such meeting.

Exercise in full of the Repurchase Mandate would result in up to a maximum of 261,636,263 Shares (on the basis of 2,616,362,363 Shares in issue as at the Latest Practicable Date) being repurchased by the Company.

### **(2) Reasons for repurchases**

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

### **(3) Funding of repurchases**

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the laws of Bermuda and the memorandum of association and the Bye-laws of the Company. Such funds may include capital paid up on the repurchased Shares, funds otherwise available for dividend or distribution, and the proceeds of a new issue of Shares made for the purpose.

Whilst the Repurchase Mandate, if exercised in full, may have a material adverse impact on the working capital or gearing position of the Company, as compared with the position disclosed in the Company's audited financial statements for the year ended March 31, 2007, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

**(4) Status of repurchased Shares**

The Listing Rules provide that the listing of all the Shares repurchased by the Company are automatically cancelled and the Company must ensure that the corresponding certificates are cancelled and destroyed. Under Bermuda law, the Shares so repurchased will be treated as having been cancelled.

**(5) Share repurchases**

The Company has not repurchased any Shares (whether on the Stock Exchange or otherwise) in the six (6) months preceding the Latest Practicable Date.

No connected person (as defined in the Listing Rules) of the Company has notified the Company that he has a present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

**(6) Share prices**

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous 12 months were as follows:–

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2006</b>		
July	0.235	0.200
August	0.216	0.160
September	0.175	0.160
October	0.198	0.156
November	0.199	0.171
December	0.194	0.173
<b>2007</b>		
January	0.280	0.178
February	1.690	0.450
March	5.500	1.120
April	6.080	4.300
May	8.950	4.330
June	9.100	6.500
July (up to the Latest Practicable Date)	8.500	7.100

**(7) Effect of the Takeovers Code**

If, as a result of a share repurchase by 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 purpose of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert, could, depending upon the level of increase in shareholding, obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, Mr. Lo Lin Shing, Simon, Chairman and executive Director of the Company, by himself and through this wholly owned Golden Infinity Co., Ltd. held approximately 14.86% of the issued Share capital of the Company. In the event that the Directors exercise in full the Repurchase Mandate, the aggregate shareholding of Mr. Lo Lin Shing, Simon in the Company would increase to approximately 16.51% 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 Mr. Lo Lin Shing, Simon to make a mandatory offer under Rule 26 of the Takeovers Code. Besides, the Directors have no present intention to repurchase Shares to an extent which will result in the number of Shares held by the public being reduced to less than 25%.

**(8) General**

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates has any present intention to sell any Shares to the Company under the Repurchase Mandate if the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Bermuda.

# MEG

## MONGOLIA ENERGY CORPORATION LIMITED

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 276)

**NOTICE IS HEREBY GIVEN** that the annual general meeting of Mongolia Energy Corporation Limited (the “Company”) will be held at Room Annapurna, Pacific Place Conference Centre, Level 5, One Pacific Place, 88 Queensway, Hong Kong on Tuesday, August 28, 2007 at 2:30 p.m. to transact the following ordinary business:

1. To receive and consider the audited financial statements and the reports of the directors and independent auditor of the Company for the year ended March 31, 2007;
2.
  - (a) To re-elect Mr. To Hin Tsun, Gerald as a director;
  - (b) To re-elect Mr. Tsui Hing Chuen, William as a director; and
  - (c) To authorise the board of directors to fix the directors’ remuneration;
3. To re-appoint Messrs. PricewaterhouseCoopers as independent auditor and to authorise the board of directors to fix their remuneration;

and, by way of special business, to consider and, if thought fit, to pass each of the following resolutions, with or without modification, of which resolutions numbered 4, 5, 6 and 7 will be proposed as ordinary resolutions:

### ORDINARY RESOLUTIONS

4. “**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) granting the listing of, and permission to deal in, such number of shares of the Company which may fall to be allotted and issued pursuant to the exercise of the options which may be granted under the share option scheme of the Company adopted on August 28, 2002 (the “Share Option Scheme”) and any other schemes of the Company, representing 10% of the issued share capital of the Company as at the date on which this resolution is passed, pursuant to Clause 10.1(ii) of the Share Option Scheme:

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## NOTICE OF ANNUAL GENERAL MEETING

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- (a) approval be and is hereby granted for refreshing the 10% mandate under the Share Option Scheme (the “Refreshed Scheme Mandate”) provided that the total number of shares of the Company which may be allotted and issued upon the exercise of all options to be granted under the Share Option Scheme and any other schemes of the Company under the limit as refreshed hereby shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date on which this resolution is passed (options outstanding, cancelled, lapsed or exercised in accordance with the terms of the Share Option Scheme or any other schemes of the Company shall not be counted for the purpose of calculating the Refreshed Scheme Mandate); and
- (b) the directors of the Company or a duly authorised committee thereof be and are hereby authorised, (i) at their absolute discretion, to grant options to subscribe for shares of the Company within the Refreshed Scheme Mandate in accordance with the rules of the Share Option Scheme or any other schemes of the Company, and (ii) to allot, issue and deal with Shares pursuant to the exercise of options granted under the Share Option Scheme or any other schemes of the Company within the Refreshed Scheme Mandate.”

5. **“THAT:**

- (a) subject to the following provisions of this resolution, the exercise by the directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional shares of the Company, and to make or grant offers, agreements or options (including bonds, notes, warrants, debentures and securities convertible into shares of the Company) which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options (including bonds, notes, warrants, debentures and securities convertible into shares of the Company) which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the directors of the Company pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as defined below); (ii) an issue of shares pursuant to any existing specific authority, including upon the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any bonds, notes, debentures or securities convertible into shares of the Company; (iii) the exercise of options granted under any share option scheme adopted by the Company; and (iv) any scrip dividend scheme or similar arrangement providing for the allotment of shares of the Company

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## NOTICE OF ANNUAL GENERAL MEETING

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in lieu of the whole or part of a dividend on shares of the Company in accordance with the bye-laws of the Company, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution; and

(d) for the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws of Bermuda to be held; or
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the directors of the Company made to holders of shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in, or in any territory outside, Hong Kong).”

6. **“THAT:**

- (a) subject to paragraph (b) of this resolution, the exercise by the directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to repurchase shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) or on any other exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose (“Recognised Stock Exchange”), subject to and in accordance with all applicable laws, rules and regulations and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange, or of any other Recognised Stock Exchange and the bye-laws of the Company be and is hereby generally and unconditionally approved;



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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) the aggregate nominal amount of the shares which the Company is authorised to repurchase pursuant to the approval in paragraph (a) of this resolution shall not exceed 10% of the aggregate nominal amount of the shares in the capital of the Company in issue as at the date of passing this resolution; and
- (c) for the purposes of this resolution, “Relevant Period” means the period from the date of passing this resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws of Bermuda to be held; or
  - (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”
7. “**THAT** subject to the passing of resolutions numbered 5 and 6 as set out in the notice convening this meeting (“Notice”), the general mandate granted to the directors of the Company to allot, issue and deal with additional shares of the Company pursuant to resolution numbered 5 set out in the Notice be and is hereby extended by the addition to it of an amount representing the aggregate nominal amount of the shares in the capital of the Company which are repurchased by the Company pursuant to and since the granting to the Company of the general mandate to repurchase shares in accordance with resolution numbered 6 set out in the Notice.”

By Order of the Board  
**Tang Chi Kei**  
*Company Secretary*

Hong Kong, July 26, 2007

*Registered office:*

Clarendon House  
Church Street  
Hamilton HM 11  
Bermuda

*Head office and principal place of business in Hong Kong:*

Rooms 1502-5  
New World Tower 1  
16-18 Queen’s Road Central  
Hong Kong

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## NOTICE OF ANNUAL GENERAL MEETING

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*Notes:*

1. A member of the Company entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or, if he is the holder of two or more shares, more than one proxy to attend and, on a poll, vote instead of him. In the case of a recognised clearing house, it may authorise such person(s) as it thinks fit to act as its representative(s) at the meeting and vote in its stead. A proxy need not be a member of the Company.
2. To be valid, the proxy form, together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited at the Company's principal place of business in Hong Kong at Rooms 1502-5, New World Tower 1, 16-18 Queen's Road Central, Hong Kong as soon as possible and in any event, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
3. Where there are joint holders of any share, any one of such holders may vote at the meeting, either in person or by proxy, in respect of such share as if he were solely entitled to vote, but if more than one of such joint holders be present at the meeting in person or by proxy, the person so present whose name stands first in the register of members of the Company in respect of such share shall alone be entitled to vote in respect of it. Completion and return of the form of proxy will not preclude a member from attending the meeting and voting in person at the meeting or any adjourned meeting if he so desires. If a member attends the meeting after having deposited the form of proxy, his form of proxy will be deemed to have been revoked.
4. In accordance with bye-laws of the Company, Mr. To Hin Tsun, Gerald and Mr. Tsui Hing Chuen, William will retire at the meeting and being eligible, offer themselves for re-election. Details of the retiring directors have been set out in the circular of the Company dated July 26, 2007.