
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

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KWOON CHUNG BUS HOLDINGS LIMITED

冠忠巴士集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 306)

**PROPOSED RE-ELECTION
OF THE RETIRING DIRECTORS OF THE COMPANY**

AND

**PROPOSED GRANTING OF GENERAL MANDATES
TO REPURCHASE SHARES
AND TO ISSUE NEW SHARES OF THE COMPANY**

A notice convening an annual general meeting of Kwoon Chung Bus Holdings Limited to be held at Concord Room II and III, 8/F, Renaissance Harbour View Hotel, 1 Harbour Road, Wanchai, Hong Kong on Tuesday, 18 September 2007 at 2:30 p.m. is set out on pages 12 to 15 of this circular. A form of proxy for use at the annual general meeting is also enclosed. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited (www.hkex.com.hk).

If you are not able to attend the annual general meeting, please complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return it to the office of Company's Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Rooms 1806-7, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the meeting if they so wish.

31 July 2007

* *for identification purposes only*

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DEFINITIONS

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

“Annual General Meeting”	an annual general meeting of the Company to be held at Concord Room II and III, 8/F, Renaissance Harbour View Hotel, 1 Harbour Road, Wanchai, Hong Kong on Tuesday, 18 September 2007 at 2:30 p.m. to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 12 to 15 of this circular, or any adjournment thereof;
“Board”	the board of Directors;
“CG Code”	The Code on Corporate Governance Practices set out in Appendix 14 to the Listing Rules;
“Company”	Kwoon Chung Bus Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange;
“Bye-laws”	the bye-laws of the Company with the latest amendments made on 22 September 2006;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries from time to time;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China;
“Issuance Mandate”	as defined in paragraph 4(b) of the Letter from the Board;
“Latest Practicable Date”	24 July 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”	as defined in paragraph 4(a) of the Letter from the Board;
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;

DEFINITIONS

“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company;
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	The Hong Kong Codes on Takeovers and Mergers issued by the Securities and Futures Commission in Hong Kong.



KWOON CHUNG BUS HOLDINGS LIMITED

冠忠巴士集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 306)

Executive Directors:

Wong Chung Pak, Thomas (*Chairman*)

Wong Leung Pak, Matthew

(Chief Executive Officer and Managing Director)

Wong Wing Pak (*Senior Executive Director*)

Lam Sze Hoo, Christopher

Cheng Wai Po, Samuel

Lee Yin Ching, Stanley

Cheng King Hoi, Andrew

Ng King Yee

Chan Yu Kwong, Francis

Mok Wah Fun, Peter

Registered Office:

Clarendon House

Church Street

Hamilton HM 11

Bermuda

Principal Place of Business:

3/F, 8 Chong Fu Road

Chai Wan

Hong Kong

Independent Non-executive Directors:

Chan Bing Woon, *SBS, JP*

Sung Yuen Lam

Lee Kwong Yin, Colin

31 July 2007

To the Shareholders

Dear Sir/Madam,

**PROPOSED RE-ELECTION
OF THE RETIRING DIRECTORS OF THE COMPANY
AND
PROPOSED GRANTING OF GENERAL MANDATES
TO REPURCHASE SHARES
AND TO ISSUE NEW SHARES OF THE COMPANY**

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of the resolutions to be proposed at the Annual General Meeting for (i) the re-election of the retiring Directors; (ii) the granting of the Repurchase Mandate to the Directors; (iii) the granting of the Issuance Mandate to the Directors; and (iv) the extension of the Issuance Mandate by adding to it the nominal amount of the issued Shares repurchased by the Company under the Repurchase Mandate.

* *for identification purposes only*

LETTER FROM THE BOARD

2. PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS

Pursuant to Bye-law 87 of the Bye-laws, at each annual general meeting one-third of the Directors for the time being (or, if their number is not three or a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term or holding office as the chairman of the Board or the managing director or the chief executive of the Company) shall be subject to retirement by rotation at least once every three years or such other period as the Stock Exchange may from time to time prescribe. The Director(s) to retire by rotation shall be the person(s) who has/have been longest in office since his/their last re-election or appointment. As between persons who became or were last re-elected Directors on the same day, the person(s) to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election by the Shareholders at the relevant annual general meeting.

According to Bye-law 87 of the Bye-laws, Mr. Lam Sze Hoo, Christopher and Mr. Cheng Wai Po, Samuel, executive directors, and Mr. Chan Bing Woon, *SBS, JP*, Mr. Sung Yuen Lam and Mr. Lee Kwong Yin, Colin, independent non-executive directors, shall retire by rotation at the Annual General Meeting and, being eligible, will offer themselves for re-election at the same meeting.

Pursuant to Rule 13.74 of the Listing Rules, a listed issuer shall disclose the details required under Rule 13.51(2) of the Listing Rules of any director(s) proposed to be re-elected or proposed new director in the notice or accompanying circular to its shareholders of the relevant general meeting, if such re-election or appointment is subject to shareholders' approval at that relevant general meeting. The requisite details of Mr. Lam Sze Hoo, Christopher and Mr. Cheng Wai Po, Samuel, executive directors, and Mr. Chan Bing Woo, *SBS, JP*, Mr. Sung Yuen Lam and Mr. Lee Kwong Yin, Colin, independent non-executive directors, are set out in Appendix I to this circular.

3. PROPOSED GRANTING OF THE REPURCHASE AND ISSUANCE MANDATES

At the annual general meeting of the Company held on 22 September 2006, general mandates were given to the Directors to exercise the powers of the Company to repurchase shares of the Company and to issue new shares of the Company respectively. Such mandates will lapse at the conclusion of the Annual General Meeting.

Ordinary resolutions will be proposed at the Annual General Meeting to approve the granting of new general mandates to the Directors:

- (a) to purchase Shares on the Stock Exchange of an aggregate nominal amount of up to 10% of the aggregate nominal amount of the issued share capital of the Company on the date of passing of such resolution (the "Repurchase Mandate");
- (b) to allot, issue or deal with Shares of an aggregate nominal amount of up to 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of passing of such resolution (the "Issuance Mandate"); and

LETTER FROM THE BOARD

- (c) to extend the Issuance Mandate by an amount representing the aggregate nominal amount of the Shares repurchased by the Company pursuant to and in accordance with the Repurchase Mandate.

The Repurchase Mandate and the Issuance Mandate will continue in force until the conclusion of the next annual general meeting of the Company held after the Annual General Meeting or any earlier date as referred to in the proposed ordinary resolutions contained in items 5 and 6 of the notice of the Annual General Meeting as set out on pages 12 to 15 of this circular. With reference to the Repurchase Mandate and the Issuance Mandate, the Directors wish to state that they have no immediate plan to repurchase any Shares or issue any Shares pursuant thereto.

In accordance with the requirements of 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 granting of the Repurchase Mandate. The explanatory statement as required by the Listing Rules in connection with the Repurchase Mandate is set out in Appendix II to this circular.

4. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages 12 to 15 of this circular. At the Annual General Meeting, resolutions will be proposed to approve, inter alia, the re-election of the retiring Directors, the granting of the Repurchase Mandate and the Issuance Mandate and the extension of the Issuance Mandate by the addition thereto of the nominal amount of Shares repurchased pursuant to the Repurchase Mandate.

A form of proxy for use at the Annual General Meeting is enclosed with this circular and such form of proxy is also published on the website of the Stock Exchange (www.hkex.com.hk). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority at the office of Company's Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Rooms 1806-7, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the Annual General Meeting if you so wish.

5. RECOMMENDATION

The Directors consider that the proposed re-election of the retiring Directors, the granting of the Repurchase Mandate and the granting/extension of the Issuance Mandate are in the interests of the Company, the Group and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

LETTER FROM THE BOARD

6. GENERAL INFORMATION

Your attention is drawn to the additional information set out in Appendix I (Details of the retiring Directors proposed to be re-elected at the Annual General Meeting) and Appendix II (Explanatory Statement on the Repurchase Mandate) to this circular.

Yours faithfully,
By order of the Board
Wong Chung Pak, Thomas
Chairman

Pursuant to the Listing Rules, the details of the Directors who will retire at the Annual General Meeting according to the Bye-laws and will be proposed to be re-elected at the Annual General Meeting are provided below:

- (1) **Mr. LAM Sze Hoo, Christopher**, aged 42, an executive director of the Company since 2004. Mr. Lam is an alternate director of Citybus Limited and New World First Bus Services Limited. He has no relationships with any other Directors, senior management or substantial or controlling Shareholders of the Company. As at the Latest Practicable Date, he was not deemed to be interested in any shares of the Company within the meaning of Part XV of the SFO. He is not and has not been a director of any other listed companies. Mr. Lam has no service contract with the Company and does not receive any emoluments from the Company. He does not have any other matters and any other information pursuant to Rule 13.51(2) (h) to (v) of the Listing Rules that need to be brought to the attention of the Shareholders.
- (2) **Mr. CHENG Wai Po, Samuel**, aged 47, an executive director of the Company since 2004. Mr. Cheng is the Managing Director of Citybus Limited and New World First Bus Services Limited. He graduated from the University of Hong Kong with a Bachelor's Degree of Social Sciences and is a member of the Hong Kong Institute of Certified Public Accountants. He has no relationships with any other Directors, senior management or substantial or controlling Shareholders of the Company. As at the Latest Practicable Date, he was not deemed to be interested in any shares of the Company within the meaning of Part XV of the SFO. He is not and has not been a director of any other listed companies. Mr. Cheng has no service contract with the Company and does not receive any emoluments from the Company. He does not have any other matters and any other information pursuant to Rule 13.51(2) (h) to (v) of the Listing Rules that need to be brought to the attention of the Shareholders.
- (3) **Mr. CHAN Bing Woon, SBS, JP**, aged 62, an independent non-executive director of the Company since 1996. Mr. Chan is a consultant of Yung Yu Yuen & Co., Solicitors and Notaries and has over 30 years experience in the legal profession. Mr. Chan is involved in numerous public duties including being a member of the Eastern District Council and the Town Planning Board. He is also a fellow member of the Hong Kong Institute of Directors, the Chairman of the Hong Kong Mediation Council and a member of Security and Guarding Services Industry Authority. He has no relationships with any other Directors, senior management or substantial or controlling Shareholders of the Company. As at the Latest Practicable Date, he was deemed to be interested in 700,000 shares of the Company within the meaning of Part XV of the SFO. He is not and has not been a director of any other listed companies. According to his service contract with the Company for a term of 2 years from 1 April 2007, Mr. Chan's annual emoluments shall be approximately HK\$100,000, which include monthly remuneration, pension scheme contributions and a year end discretionary bonus and is determined based on his experience, skills, performances, contributions and qualifications. He does not have any other matters and any other information pursuant to Rule 13.51(2) (h) to (v) of the Listing Rules that need to be brought to the attention of the Shareholders.

- (4) **Mr. SUNG Yuen Lam**, aged 64, an independent non-executive director of the Company since 1996. Mr. Sung is the founding partner of William Y.L. Sung & Co., Certified Public Accountants and has over 30 years experience in auditing. He has no relationships with any other Directors, senior management or substantial or controlling Shareholders of the Company. As at the Latest Practicable Date, he was deemed to be interested in 700,000 shares of the Company within the meaning of Part XV of the SFO. He is not and has not been a director of any other listed companies. According to his service contract with the Company for a term of 2 years from 1 April 2007, Mr. Sung's annual emoluments shall be approximately HK\$100,000, which include monthly remuneration, pension scheme contributions and a year end discretionary bonus and is determined based on his experience, skills, performances, contributions and qualifications. He does not have any other matters and any other information pursuant to Rule 13.51(2) (h) to (v) of the Listing Rules that need to be brought to the attention of the Shareholders.
- (5) **Mr. LEE Kwong Yin, Colin**, aged 56, an independent non-executive director of the Company since 2004. Mr. Lee graduated from the Chinese University of Hong Kong, with a Master's Degree of Business Administration. He has no relationships with any other Directors, senior management or substantial or controlling Shareholders of the Company. As at the Latest Practicable Date, he was deemed to be interested in 100,000 shares of the Company within the meaning of Part XV of the SFO. He is not and has not been a director of any other listed companies. According to his service contract with the Company for a term of 2 years from 1 April 2007, Mr. Lee's annual emoluments shall be approximately HK\$70,000, which include monthly remuneration, pension scheme contributions and a year end discretionary bonus and is determined based on his experience, skills, performances, contributions and qualifications. He does not have any other matters and any other information pursuant to Rule 13.51(2) (h) to (v) of the Listing Rules that need to be brought to the attention of the Shareholders.

The following is an explanatory statement required by the Listing Rules to be sent to the Shareholders to enable them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the Annual General Meeting in relation to the granting of the Repurchase Mandate.

1. REASONS FOR REPURCHASE OF SHARES

The Directors believe that the granting of the Repurchase Mandate is in the interests of the Company and the Shareholders.

Repurchases of Shares may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share. The Directors are seeking the granting of the Repurchase Mandate to give the Company the flexibility to do so if and when appropriate. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time, having regard to the circumstances then pertaining.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 394,906,000 Shares.

Subject to the passing of the ordinary resolution set out in item 5 of the notice of the Annual General Meeting in respect of the granting of the Repurchase Mandate and on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting, the Directors would be authorised under the Repurchase Mandate to repurchase an aggregate nominal amount of Shares of up to HK\$3,949,060 (equivalent to 39,490,600 Shares), representing 10% of the aggregate nominal amount of the Shares in issue as at the date of the Annual General Meeting, during the period in which the Repurchase Mandate remains in force.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its bye-laws, the laws of Bermuda and/or any other applicable laws.

The Company is empowered by its Bye-laws to repurchase Shares. The laws of Bermuda provide that the amount of capital paid in connection with a share repurchase by a company may only be paid out of either the capital paid up on the relevant shares, or the funds of the company which would otherwise be available for dividend or distribution or the proceeds of a fresh issue of shares made for such purpose. The amount of premium payable on repurchase may only be paid out of funds of the company which would otherwise be available for dividend or distribution or out of the share premium account of the company.

4. IMPACT OF REPURCHASES

There might be a 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 March 2007) in the event that the Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Repurchase 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.

5. TAKEOVERS CODE

If, on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, 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. Accordingly, a Shareholder, or group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code for all the Shares not already owned by such Shareholder or group of Shareholders.

As at the Latest Practicable Date, Wong Family Holdings Limited, which is a substantial Shareholder of the Company and Mr. Wong Chung Pak, Thomas, Mr. Wong Leung Pak, Matthew and Mr. Wong Wing Pak, directors of the Company, owned approximately 32.51% of the issued share capital of the Company. On the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, in the event that the Directors exercise in full the power to repurchase Shares pursuant to the Repurchase Mandate, the aforesaid shareholdings of 32.51% in the Company would be increased to approximately 36.13% of the total issued share capital of the Company such will give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. If so, the Directors will take necessary steps to comply with the Listing Rules and the Takeovers Code. In fact, the Directors presently do not have intention to exercise in full the power to repurchase Shares of the Company or to repurchase shares to the extent that it will trigger the obligations under the Takeovers Code to make a mandatory offer. In addition, the Company will have periodical checkings on the public float level. If the percentage falls below the minimum requirement under the Listing Rules, the Company will take the necessary actions at the earliest possible moment.

6. GENERAL

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their respective associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company in the event that the granting of the Repurchase Mandate is approved by the Shareholders.

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

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases of Shares pursuant to the Repurchase Mandate in accordance with the Listing Rules and the laws of Bermuda.

7. MARKET PRICES OF SHARES

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

Month	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2006		
July	1.170	1.120
August	1.130	1.120
September	1.150	1.130
October	1.400	1.140
November	1.250	1.190
December	1.250	1.200
2007		
January	1.250	1.200
February	1.220	1.200
March	1.230	1.200
April	1.240	1.200
May	1.480	1.200
June	1.480	1.210
July (up to the Latest Practicable Date)	1.890	1.220

8. REPURCHASES OF SHARES MADE BY THE COMPANY

No repurchase of Shares has been made by the Company during the previous six months (whether on the Stock Exchange or otherwise).



KWOON CHUNG BUS HOLDINGS LIMITED

冠忠巴士集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 306)

NOTICE IS HEREBY GIVEN that an Annual General Meeting of Kwoon Chung Bus Holdings Limited (the “Company”) will be held at Concord Room II and III, 8/F, Renaissance Harbour View Hotel, 1 Harbour Road, Wanchai, Hong Kong on Tuesday, 18 September 2007 at 2:30 p.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements of the Company and the reports of the Directors and Auditors for the year ended 31 March 2007;
2. To declare a final dividend of HK2.5 cents per share and a special dividend of HK2.5 cents per share;
3. To re-elect the retiring Directors, to fix the maximum number of Directors, to authorise the Board of Directors to appoint additional Directors up to the maximum number determined and to authorise the Board of Directors to fix the Directors’ remuneration;
4. To appoint Auditors and to authorise the Board of Directors to fix their remuneration;
5. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

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

* for identification purposes only

NOTICE OF THE ANNUAL GENERAL MEETING

- (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. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with authorised and unissued shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors to make or grant offers, agreements and options during the Relevant Period 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 allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as defined below);
 - (ii) the exercise of options under a share option scheme of the Company; and
 - (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 of the Company in accordance with the Bye-laws of the Company, shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company on the date of the passing of this resolution and this approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;

NOTICE OF THE ANNUAL GENERAL MEETING

- (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; and

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognised regulatory body or any stock exchange).”; and

7. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** conditional upon the passing of resolutions set out in items 5 and 6 of the notice convening this meeting, the general mandate referred to in resolution set out in item 6 of the notice be and is hereby extended by the addition to the aggregate nominal amount of shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the Directors pursuant to such general mandate of an amount representing the aggregate nominal amount of shares purchased by the Company pursuant to the mandate referred to in resolution set out in item 5 of the notice provided that such amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution.”.

By order of the Board
Wong Chung Pak, Thomas
Chairman

Hong Kong, 31 July 2007

NOTICE OF THE ANNUAL GENERAL MEETING

Notes:

1. Any Member of the Company entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a Member of the Company. A Member who is the holder of two or more shares of the Company may appoint more than one proxy to represent him to attend and vote on his behalf. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. To be effective, a form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, must be deposited at the office of Company's Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Rooms 1806-7, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a Member of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
3. The register of members of the Company will be closed from Friday, 14 September 2007 to Tuesday, 18 September 2007, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for the entitlement to the proposed final dividend and special dividend for the year ended 31 March 2007 and attending and voting at the above meeting, unregistered holders of shares of the Company should ensure that all transfers of shares accompanied by the relevant share certificates and appropriate transfer forms must be lodged with the office of Company's Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 13 September 2007.
4. In relation to the ordinary resolutions set out in items 5, 6 and 7 of the above notice, the Directors wish to state that they have no immediate plan to issue any new shares or repurchase any existing shares of the Company.