
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.

If you have sold all your shares in China Aerospace International Holdings Limited, you should at once hand this document and the accompanying 2008 Annual Report and the form of proxy to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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



CHINA AEROSPACE INTERNATIONAL HOLDINGS LIMITED

中國航天國際控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 31)

**PROPOSED GENERAL MANDATES
TO ISSUE SHARES AND REPURCHASE SECURITIES,
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting of China Aerospace International Holdings Limited to be held at the Salon One, First Floor, Harbour Plaza, 20 Tak Fung Street, Hung Hom, Kowloon, Hong Kong at 10:30 a.m. on Tuesday, 19 May 2009 is set out on pages 13 to 16 of this document.

Whether or not you are able to attend the Annual General Meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's share registrar, Tricor Standard Limited of 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, 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. Completion of a form of proxy will not preclude you from attending and voting at the Annual General Meeting in person if you so wish.

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	
Introduction	2
General Mandates to Issue Shares and Repurchase Securities	3
Explanatory Statement on the Repurchase Proposal	3
Re-Election of Directors	6
Voting Procedure	6
Recommendation	6
Annual General Meeting	7
Appendix 1 — Traded Prices of Shares	8
Appendix 2 — Details of Directors Proposed to be Re-elected	9
Notice of Annual General Meeting	13

DEFINITIONS

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

“Annual General Meeting” or “AGM”	the annual general meeting of the Company to be held at 10:30 a.m. on Tuesday, 19 May 2009, the notice of which is set out on pages 13 to 16 of this circular;
“Board”	the Board of Directors;
“Company”	China Aerospace International Holdings Limited, a company incorporated in Hong Kong with limited liability, the securities of which are listed on the Stock Exchange;
“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;
“Latest Practicable Date”	27 March 2009, being the latest practicable date prior to the printing of this document for ascertaining certain information referred to in this document;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Register”	the Register of Members of the Company;
“Registrar”	the Company’s share registrar, Tricor Standard Limited, of 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong;
“Repurchase Proposal”	the general and unconditional mandate proposed to be granted to the Directors to empower the Directors to repurchase Shares, details of which are set out in the section headed “General Mandates to Issue Shares and Repurchase Securities”;
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong);
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholders”	holders of Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers.



CHINA AEROSPACE INTERNATIONAL HOLDINGS LIMITED

中國航天國際控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 31)

Executive Directors:

Mr Zhao Liqiang (*President*)
Mr Zhou Qingquan
Mr Wu Hongju
Mr Guo Xianpeng

Registered Office:

Room 1103-1107A,
One Harbourfront,
18 Tak Fung Street,
Hung Hom, Kowloon,
Hong Kong

Non-executive Directors:

Mr Wu Zhuo (*Chairman*)
Mr Chow Chan Lum, Charles (*Independent*)
Mr Luo Zhenbang (*Independent*)
Mr Wang Junyan (*Independent*)
Mr Chen Xuechuan
Mr Li Hongjun
Dr Chan Ching Har, Eliza
Mr Xu Jianhua
Mr Jin Xuesheng

7 April 2009

To Shareholders of the Company,

Dear Sir or Madam,

**PROPOSED GENERAL MANDATES
TO ISSUE SHARES AND REPURCHASE SECURITIES,
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

It is proposed that at the Annual General Meeting of China Aerospace International Holdings Limited be held on Tuesday, 19 May 2009, the notice of which is set out on pages 13 to 16 of this document. The Shareholders are requested to consider and, if appropriate, to grant the Directors general mandates to issue and repurchase Securities of the Company and to re-elect Directors.

LETTER FROM THE BOARD

In accordance with the Listing Rules, the Company is required to send to its shareholders an explanatory statement containing information reasonably necessary to enable the shareholders to make an informed decision on whether to vote for or against the resolution to approve the granting of a mandate to the Directors to exercise the powers of the Company to purchase its own securities. The purpose of this document is to set out such information in relation to the proposed mandate, the re-election of Directors and the Annual General Meeting.

GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SECURITIES

At the Annual General Meeting, an ordinary resolution will be proposed whereby the Directors will be given a general and unconditional mandate to allot, issue and otherwise deal with new Shares representing up to 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date the resolution is passed. As of the Latest Practicable Date, the number of issued Shares of the Company is 2,570,903,882. In addition, conditional upon the proposed resolution to authorise the repurchase of securities as is more particularly described under the paragraph headed “Shareholders’ Approval” in the section headed “Explanatory Statement on the Repurchase Proposal” being passed, an ordinary resolution will be proposed to authorise the Directors to allot, issue and otherwise deal with new Shares up to an amount equal to the aggregate nominal amount of the Shares purchased under the authority to repurchase. In accordance with the Listing Rules, the Company may not make a new issue of Shares or announce a proposed new issue of Shares for a period of 30 days after any purchase by it of Shares, whether on the Stock Exchange or otherwise, other than an issue of securities pursuant to the exercise of warrants, share options or similar instruments requiring the Company to issue securities which were outstanding prior to that purchase of its own securities, without the prior approval of the Stock Exchange.

EXPLANATORY STATEMENT ON THE REPURCHASE PROPOSAL

Shareholders’ Approval

At the Annual General Meeting, an ordinary resolution will be proposed for Shareholders’ approval whereby the Directors will be given a general and unconditional mandate to exercise all powers of the Company to repurchase issued Shares subject to the criteria set out in this document.

While it is not possible to anticipate in advance any specific circumstances in which the Directors might think it is appropriate to repurchase securities, the Directors believe that the grant of a general mandate to repurchase securities to a maximum of 10 per cent. of the aggregate nominal amount of the share capital of the Company as at the date the resolution is passed, of 257,090,388 Shares as of the Latest Practicable Date, would give the Company additional flexibility that would be beneficial if the Shareholders approve the same. The repurchases may, depending on market conditions and funding arrangements of the Company at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share. Shareholders can be assured that the Directors would only make such purchases in circumstances where they consider them to be in the best interests of the Company. On the basis of the consolidated financial position of the Company as at 31

LETTER FROM THE BOARD

December 2008 (being the date to which the latest published audited accounts of the Company have been made up) and in particular the working capital or gearing position of the Company at that time and the number of Shares now in issue, the Directors consider that there may be a material adverse impact on the working capital or gearing position of the Company in the event that the proposed purchases were to be carried out in full at any time during the proposed purchase period. However, no purchase would be made in circumstances that would have a material adverse impact on the working capital or gearing position of the Company (as compared with the financial position as at 31 December 2008).

Source of Funds

The Company is empowered by its Memorandum and Articles of Association to purchase its Shares. Purchase of Shares must be funded out of funds legally available for the purpose in accordance with the Company's Memorandum and Articles of Association and the laws of Hong Kong.

Directors and connected persons

None of the Directors nor, to the best of their knowledge and belief having made all reasonable enquiries, any of the associates (as defined in the Listing Rules) of any of the Directors have any present intention, in the event that the grant to the Directors of a repurchase mandate is approved by the Shareholders, to sell Shares to the Company.

No persons who are connected persons (as defined in the Listing Rules) of the Company have notified the Company that they have a present intention to sell Shares to the Company nor have they undertaken not to sell any of the Shares held by them to the Company in the event that the Company is authorised to make purchases of Shares. In accordance with the Listing Rules, the Company shall not knowingly purchase Shares from a connected person on the Stock Exchange and a connected person shall not knowingly sell his Shares to the Company.

Undertaking to the Stock Exchange

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases pursuant to the proposed resolution in accordance with the Listing Rules, all applicable laws of Hong Kong, the jurisdiction in which the Company is incorporated, and in accordance with the Memorandum and Articles of Association of the Company.

Hong Kong Code on Takeovers and Mergers

If, as a result of a share repurchase, a shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code and, if such increase results in a change in control, may in certain circumstances give rise to an obligation to make a general offer for shares under Rule 26 of the Takeovers Code.

LETTER FROM THE BOARD

As at the Latest Practicable Date, and according to the register of substantial shareholders' interests maintained pursuant to Part XV of the Securities and Futures Ordinance (Chapter 571) of the Laws of Hong Kong, the following Shareholders were interested in 5 per cent., or more of the issued share capital of the Company:

Name	Capacity	Number of shares interested (Long Position)	Percentage of issued share capital	Number of shares interested (Short Position)	Percentage of issued share capital
China Aerospace Science & Technology Corporation	Interests in controlled corporation (Note 1)	1,143,330,636	44.47%	605,854,000	23.57%
Jetcote Investments Limited	Beneficial owner	131,837,011	5.13%	—	—
	Interests in controlled corporation (Note 2)	1,011,493,625	39.34%	605,854,000	23.57%
		1,143,330,636	44.47%	605,854,000	23.57%
Burhill Company Limited	Beneficial owner (Note 2)	539,566,136	20.98%	355,000,000	13.81%
Sin King Enterprises Company Limited	Beneficial owner (Note 2)	471,927,489	18.36%	250,854,000	9.76%
Montpelier Investment Management LLP (Note 3)	Investment manager (Note 4)	179,658,706	6.99%	—	—
Montpelier Global Funds Limited — The Montpelier Fund	Beneficial owner (Note 4)	154,007,766	5.99%	—	—

Notes:

1. These 1,143,330,636 Shares are duplicated in the interests held by Jetcote Investments Limited, a wholly-owned subsidiary of China Aerospace Science & Technology Corporation, and its subsidiaries.
2. Both Burhill Company Limited and Sin King Enterprises Company Limited are wholly-owned subsidiaries of Jetcote Investments Limited. The Shares held by them form part of the total number of Shares held by Jetcote Investments Limited.
3. Montpelier Investment Management LLP was formerly named as Montpelier Asset Management Limited.
4. Montpelier Investment Management LLP has been appointed by Montpelier Global Funds Limited as Investment Manager and the shareholding of Montpelier Global Funds Limited in the Company is duplicated in the interests held by Montpelier Investment Management LLP.

LETTER FROM THE BOARD

In the event that the Directors exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the Repurchase Proposal, then (if the present shareholdings otherwise remain the same) the attributable shareholdings of China Aerospace Science & Technology Corporation, Jetcote Investments Limited, Burhill Company Limited and Sin King Enterprises Company Limited in the Company would be increased to approximately 49.41 per cent. of the issued share capital of the Company. The Directors consider that such increase would give rise to China Aerospace Science & Technology Corporation an obligation to make a mandatory offer under Rule 26 of the Takeovers Code and do not have the intention to repurchase the Shares to such extent at present. The Directors are not aware of any other consequence which would arise under the Takeovers Code as a result of any purchases by the Company of its Shares.

Miscellaneous

During the six months preceding the Latest Practicable Date, no Shares were purchased by the Company.

During each of the twelve months preceding the Latest Practicable Date, the highest and lowest traded prices for Shares on the Stock Exchange are set out in the Appendix 1 to this document.

RE-ELECTION OF DIRECTORS

Mr Zhou Qingquan, Mr Xu Jianhua, Mr Luo Zhenbang and Mr Wang Junyan retire by rotation at the AGM in accordance with Article 103(A) of the Company's Articles of Association and, being eligible, offer themselves for re-election by the Shareholders. The biographical details, the interests in the Shares and the remuneration of the retiring directors are provided in Appendix 2 to this circular.

VOTING PROCEDURE

Pursuant to rules 13.39(4) and 13.39(5) of the Listing Rules, the vote of shareholders at the AGM will be taken by poll and a scrutineer will be appointed by the Company for vote taking at the AGM. The Company will then announce the results of the poll in the manner prescribed under rule 13.39(5).

RECOMMENDATION

The Directors are of the opinion that the general mandates to issue Shares and the Repurchase Proposal and the re-election of Directors are in the best interests of the Company and its shareholders and recommend that you vote in favour of the resolutions to be proposed at the forthcoming Annual General Meeting.

LETTER FROM THE BOARD

ANNUAL GENERAL MEETING

Notice of the Annual General Meeting is set out on pages 13 to 16 of this document.

A form of proxy is enclosed with this document for use at the Annual General Meeting. Whether or not you intend to be present at the meeting, you are requested to complete and return the enclosed form of proxy to the Company's share registrar, Tricor Standard Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time appointed for the holding of the meeting. Completion of a form of proxy will not preclude you from attending and voting at the Annual General Meeting in person if you so wish.

Yours faithfully,

Wu Zhuo

Chairman

During the twelve months preceding the Latest Practicable Date, the highest and lowest traded prices for Shares on the Stock Exchange were as follows:

Month	Per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2008		
April	1.020	0.800
May	1.090	0.890
June	1.030	0.870
July	0.890	0.800
August	0.830	0.650
September	0.680	0.370
October	0.425	0.221
November	0.450	0.290
December	0.540	0.380
2009		
January	0.570	0.420
February	0.495	0.370
March (up to the Latest Practicable Date)	0.435	0.335

The followings are the particulars of the Directors proposed to be re-elected at the Annual General Meeting:

(1) Mr Zhou Qingquan, Executive Director

Mr Zhou Qingquan, aged 57, is an Executive Director of the Company and Vice President of the Group. He graduated from Northwest Industrial University. From 1976, he held such posts as Deputy Director, Director, Senior Engineer, Deputy General Factory Manager, and General Factory Manager and President in the 801 Research Institute of Shanghai Aerospace Administration and the Research Office of Shanghai Xinxin Machinery Factory respectively. From 1995, he held such posts as Vice President, then President of Shanghai Aerospace Corporation, as well as Deputy Director General of Shanghai Aerospace Administration. He was appointed as an Executive Director of the Company and Vice President of the Group in September 1999.

Save as disclosed above, Mr Zhou did not hold directorships in any other listed public companies in the last three years and is not connected with any other directors, senior management, substantial or controlling Shareholders of the Company and does not have any interests in the Shares within the meaning of Part XV of the SFO.

Mr Zhou did not enter into any service contract with the Company and is subject to the rotational retirement requirements under the Company's Articles of Association. Based on the Company's emolument policy, Mr Zhou is entitled to receive a monthly salary of HK\$80,000, payable on 13 month basis per annum, and a bonus determined in accordance with the result performance of the Company and his contributions to the Company.

Save as disclosed above, there is no other information that needs to be brought to the attention of the Shareholders or disclosed pursuant to Rule 13.51(2) of the Listing Rules.

(2) Mr Xu Jianhua, Non-executive Director

Mr Xu Jianhua, aged 40, a Senior Economist, is a Non-Executive Director of the Company and Vice President of the Group. Mr Xu obtained a bachelor's degree in Laws from the China University of Political Science and Law, a master degree in Business Administration from Beijing University of Aeronautics & Astronautics and a Master of Laws degree from the City University of Hong Kong and was qualified as a lawyer in the PRC in 1994. He joined the 707 Research Institute of the former Ministry of Aeronautics & Aerospace Industry of China, serving successively as Deputy Director of Payroll & Benefits Division and the Head of the Administration Division of Human Resources Department of China Aerospace Corporation, the Division Director and Deputy Director General of Human Resources Department of China Aerospace Science & Technology Corporation, and Director of China Spacesat Company Limited (stock code: 600118), a company listed on the Shanghai Stock Exchange. He was appointed as a Director and Deputy General Manager of CASIL

Telecommunications Holdings Limited (stock code: 1185), a company listed on the Stock Exchange of Hong Kong Limited and was appointed as a Non-Executive Director of the Company and Vice President of the Group in July 2006.

Save as disclosed above, Mr Xu did not hold directorships in any other listed public companies in the last three years and is not connected with any other directors, senior management, substantial or controlling Shareholders of the Company and does not have any interests in the Shares within the meaning of Part XV of the SFO.

Mr Xu did not enter into any service contract with the Company, his appointment is two years and is subject to the rotational retirement requirements under the Company's Articles of Association. Based on the Company's emolument policy, Mr Xu is entitled to receive a monthly salary of HK\$75,000, payable on 13 month basis per annum, and a bonus determined in accordance with the result performance of the Company and his contributions to the Company.

Save as disclosed above, there is no other information that needs to be brought to the attention of the Shareholders or disclosed pursuant to Rule 13.51(2) of the Listing Rules.

(3) Mr Luo Zhenbang, Independent Non-Executive Director

Mr Luo Zhenbang, aged 42, is an Independent Non-Executive Director of the Company and a Senior Partner of Baker Tilly China Certified Public Accountants. Mr Luo graduated from the School of Business of Lanzhou in 1991 majoring in Enterprise Management. He has been managing the audit works for several listed companies since 1994. He has been an expert supervisor of Xinda Asset Management Corporation and China Great Wall Asset Management Corporation. He was also an independent director of Long March Vehicle Technology Company Limited, Orient Tantalum Industry Company Limited, Wuzhong Instrument Company Limited and Shengxue Company Limited, as well as an internal audit expert of Northeast Securities Company Limited. Mr Luo possesses several professional qualifications, such as Chinese certified public accountant, certified accountant in securities and futures industry, Chinese certified assets valuer and Chinese certified tax accountant and has in-depth experience in accounting, auditing and financial management. He is familiar with the audit of listed companies from various sectors and extensively participates in corporate restructuring for listing, listed company restructure and other business consultation services. He was appointed as an Independent Non-Executive Director of the Company in December 2004.

Save as disclosed above, Mr Luo did not hold directorships in any other listed public companies in the last three years and is not connected with any other directors, senior management, substantial or controlling Shareholders of the Company and does not have any interests in the Shares within the meaning of Part XV of the SFO.

Mr Luo did not enter into any service contract with the Company, his appointment is two years and is subject to the rotational retirement requirements under the Company's Articles of Association. Mr Luo is entitled to receive a director's fee of HK\$150,000 per annum and an annual remuneration to the member of remuneration committee of HK\$30,000 and to the member of audit committee of HK\$50,000. The amount of the director's fee is based on his previous experience, professional qualifications, the operation situation of the Company and the prevailing market condition.

Save as disclosed above, there is no other information that needs to be brought to the attention of the Shareholders or disclosed pursuant to Rule 13.51(2) of the Listing Rules.

(4) Mr Wang Junyan, Independent Non-Executive Director

Mr Wang Junyan, aged 38, is an Independent Non-Executive Director of the Company and the Chairman and Chief Investment Officer of China Alpha Investment Management Limited. Mr Wang holds a master's degree in finance from the Faculty of Business and Economics of the University of Hong Kong and a bachelor's degree with a major in International Trade from the School of Economics of the Zhongshan University. Since 1997, he served as the Managing Director of First Shanghai Capital Limited, the Managing Director of First Shanghai Financial Holding Limited, an immediate subsidiary of the financial service division of the First Shanghai Group, and an executive director of China Assets (Holdings) Limited (stock code: 170), the shares of which are listed on The Stock Exchange of Hong Kong Limited, and is serving as an independent director of Livzon Pharmaceutical Group Company Limited (stock code: 000513), the shares of which are listed on Shenzhen Stock Exchange, and an independent non-executive director of Yanzhou Coal Mining Company Limited (stock code: 1171), the shares of which are listed on The Stock Exchange of Hong Kong Limited. Mr Wang has more than 13 years' experience in investment banking and securities industry. He was appointed as an Independent Non-Executive Director of the Company in March 2007.

Save as disclosed above, Mr Wang did not hold directorships in any other listed public companies in the last three years and is not connected with any other directors, senior management, substantial or controlling Shareholders of the Company and does not have any interests in the Shares within the meaning of Part XV of the SFO.

Mr Wang did not enter into any service contract with the Company, his appointment is two years and is subject to the rotational retirement requirements under the Company's Articles of Association. Mr Wang is entitled to receive a director's fee of HK\$150,000 per annum and an annual remuneration to the member of remuneration committee of HK\$30,000. The amount of the director's fee is based on his previous experience, professional qualifications, the operation situation of the Company and the prevailing market condition.

Save as disclosed above, there is no other information that needs to be brought to the attention of the Shareholders or disclosed pursuant to Rule 13.51(2) of the Listing Rules.



CHINA AEROSPACE INTERNATIONAL HOLDINGS LIMITED

中國航天國際控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 31)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of China Aerospace International Holdings Limited (the “Company”) will be held at the Salon One, First Floor, Harbour Plaza, 20 Tak Fung Street, Hung Hom, Kowloon, Hong Kong at 10:30 a.m. on Tuesday, 19 May 2009 for the following purposes:

1. To receive and adopt the Audited Accounts of the Company and the Reports of the Directors and the Auditors of the Company for the year ended 31 December 2008.
2. To consider the re-election of the retiring Directors and to approve the proposed Directors’ fee.
3. To consider the re-appointment of Messrs. Deloitte Touche Tohmatsu (德勤•關黃陳方會計師行) as the Auditors of the Company and to authorise the Board of Directors to fix their remuneration.

As special business, to consider and, if thought fit, passing the following resolutions as Ordinary Resolutions:

4. **“THAT:**
 - (i) subject to paragraph (iii) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options, including warrants to subscribe for shares, which might require the exercise of such powers be and is hereby generally and unconditionally approved;
 - (ii) the approval in paragraph (i) above shall be in addition to any other authorisation given to the Directors of the Company and shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options, including warrants to subscribe for shares, which might require the exercise of such powers after the end of the Relevant Period;

NOTICE OF ANNUAL GENERAL MEETING

(iii) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph (i) above, otherwise than pursuant to a Rights Issue (as hereinafter defined) or on the exercise of any options granted under the share option scheme of the Company or on the exercise of the conversion rights attaching to any convertible notes of the Company, shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution, and the said approval shall be limited accordingly; and

(iv) for the purposes of this Resolution:

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

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the applicable law or the Articles of Association of the Company to be held; and
- (c) the passing of an ordinary resolution of the Company in general meeting revoking or varying the authority set out in this resolution;

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company 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 (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 applicable to the Company).”

5. **“THAT:**

- (i) subject to paragraph (ii) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase issued shares or any other rights to subscribe shares in the capital of the Company in each case on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the securities of the Company may be listed and which is recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (ii) the aggregate nominal amount of share capital of the Company which are authorised to be repurchased by the Directors of the Company pursuant to the approval in paragraph (i) above during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this Resolution and the said approval shall be limited accordingly; and
 - (iii) for the purposes of this Resolution:
 - “Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:
 - (a) the conclusion of the next annual general meeting of the Company;
 - (b) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the Articles of Association of the Company to be held; and
 - (c) the passing of an ordinary resolution of the Company in the general meeting revoking or varying the authority set out in this resolution.”
6. “**THAT** conditional on the passing of the Resolution No. 5 set out in the notice of the annual general meeting at which this Resolution is considered, the general mandate granted to the Directors of the Company and for the time being in force to exercise the powers of the Company to allot, issue and deal with new shares pursuant to the Resolution No. 4 set out in the said notice be and is hereby extended by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company pursuant to such general mandate of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to the said Resolution No. 5, provided that such extended amount shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this Resolution.”
7. Any other business.

By order of the Board
Ken Chan
Company Secretary

Hong Kong, 7 April 2009

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. Any member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
2. To be valid, a form of proxy, together with the 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 share registrar, Tricor Standard Limited of 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjourned meeting.