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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 your stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Wasion Meters Group Limited, you should at once hand this circular and the accompanying 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.



WASION METERS GROUP LIMITED
威勝儀表集團有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 3393)

**PROPOSALS FOR GENERAL MANDATES
TO ISSUE NEW SHARES AND REPURCHASE SHARES,
RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF 2007 ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting of Wasion Meters Group Limited (the “Company”) to be held at JW Marriott Ballroom, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Monday, 14 May 2007 at 3:00 p.m. or any adjournment thereof at which the above proposals will be considered is set out in Appendix III to this circular.

A form of proxy for the Annual General Meeting is also enclosed with this circular. Whether or not you are able to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar of the Company in Hong Kong at Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 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 meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting if you so wish.

20 April 2007

DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at JW Marriott Ballroom, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Monday, 14 May 2007 at 3:00 p.m., or any adjournment thereof
“Articles”	the Articles of Association of the Company
“associate(s)”	has the same meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Wasion Meters Group Limited, a company incorporated in the Cayman Islands with limited liability, and the securities of which are listed on the main board of the Stock Exchange
“Companies Law”	the Company Law (CAP. 22) of the Cayman Islands for the time being in force
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Issue Mandate”	a general mandate to allot and issue Shares with an aggregate nominal value not exceeding 20% of the aggregate nominal value of the issued share capital of the Company at the date of approval of the mandate
“Latest Practicable Date”	13 April 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Repurchase Mandate”	the general and unconditional mandate to repurchase the fully paid up Shares of up to 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the ordinary resolution in relation thereof
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time
“Shareholder(s)”	the holder(s) of the Share(s)
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	a subsidiary for the time being of the Company within the meaning of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) whether incorporated in Hong Kong or elsewhere and “subsidiaries” shall be construed accordingly
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent.

LETTER FROM THE BOARD



WASION METERS GROUP LIMITED

威勝儀表集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3393)

Executive directors:

Ji Wei (*Chairman*)

Cao Zhao Hui

Wang Xue Xin

Zheng Xiao Ping

Liao Xue Dong

Zeng Xin

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681 GT

George Town

Grand Cayman

British West Indies

Independent non-executive directors:

Hui Wing Kuen

Wu Jin Ming

Pan Yuan

Principal place of business in

Hong Kong:

Room 2903, Far East Finance Centre

16 Harcourt Road

Admiralty

Hong Kong

20 April 2007

To the Shareholders

Dear Sir/Madam,

**PROPOSALS FOR GENERAL MANDATES
TO ISSUE NEW SHARES AND REPURCHASE SHARES,
RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF 2007 ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the 2007 Annual General Meeting relating to (i) granting to the Directors the Repurchase Mandate; (ii) the granting to the Directors the Issue Mandate; (iii) the extension of the Issue Mandate to include shares repurchased pursuant to the Repurchase Mandate and (iv) the re-election of the retiring Directors.

LETTER FROM THE BOARD

GENERAL MANDATE TO ISSUE SHARES

At the Annual General Meeting, an ordinary resolution will be proposed that the Directors be given a general and unconditional mandate to allot, issue and deal with additional shares in the capital of the Company, representing up to 20% of the share capital of the Company in issue as at the date of the passing of the resolution. The Issue Mandate will end on the earliest of the date of the next annual general meeting, the date by which the next annual general meeting of the Company is required to be held by law or the Articles, and the date upon which such authority is revoked or varied by ordinary resolution of the Company in general meeting.

Subject to the passing of the ordinary resolutions of the Issue Mandate and the Repurchase Mandate below, an ordinary resolution will also be proposed to authorise the Directors to issue shares in the capital of the Company in an amount not exceeding the aggregate nominal amount of the shares in the capital of the Company purchased pursuant to the Repurchase Mandate.

GENERAL MANDATE TO REPURCHASE SHARES

At the Annual General Meeting, an ordinary resolution will be proposed to grant to the Directors a general and unconditional mandate to exercise all powers of the Company to repurchase issued and fully paid shares of the Company, subject to the criteria set out in this circular. Under such mandate, the maximum number of Shares that the Company may repurchase shall not exceed such number as represents 10% of the share capital of the Company in issue as at the date of the passing of the resolution. The Company's authority is restricted to repurchases made on the Stock Exchange and otherwise in accordance with the Listing Rules. The Repurchase Mandate will end on the earliest of the date of the next annual general meeting, the date by which the next annual general meeting of the Company is required to be held by law or the Articles, and the date upon which such authority is revoked or varied by ordinary resolution of the Company in general meeting.

An explanatory statement required by the Listing Rules to be sent to the shareholders of the Company (the "Shareholders") in connection with the proposed general mandate to repurchase Shares is set out in Appendix I to this circular. The explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolutions at the Annual General Meeting.

RE-ELECTION OF RETIRING DIRECTORS

According to Article 87 of the Articles, one-third of the Directors for the time being shall retire from office by rotation at each annual general meeting of the Company provided that every Director shall be subject to retirement at least once every three years. Mr. Wang Xue Xin, Ms. Zheng Xiao Ping and Mr. Liao Xue Dong, the executive directors, shall retire from their offices at the Annual General Meeting and shall be eligible to offer themselves for re-election pursuant to Articles 87 and 88. At the Annual General Meeting, ordinary resolution will be proposed to re-elect Mr. Wang Xue Xin, Ms. Zheng Xiao Ping and Mr. Liao Xue Dong as executive directors.

Details of the above Directors are set out in Appendix II to this circular.

LETTER FROM THE BOARD

NOTICE OF 2007 ANNUAL GENERAL MEETING

Notice of the Annual General Meeting is set out in Appendix III to this circular. A proxy form for appointing proxy is despatched with this circular and published on the website of the Stock Exchange (www.hkex.com.hk). Whether or not you intend to attend the Annual General Meeting, you are requested to complete the proxy form and return it to the branch share registrar of the Company in Hong Kong at Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the Annual General Meeting or the adjourned meeting. Completion and return of a proxy form will not preclude you from attending and voting at the meeting and at any adjournment thereof if you so wish.

PROCEDURE FOR DEMANDING A POLL

Pursuant to Article 66 of the Articles of Association, a resolution put to the vote of a meeting shall be decided on a show of hands unless a poll is required by the Listing Rules or (before or on the declaration of the result of the show of hands) demanded:—

- (a) by the chairman of the meeting; or
- (b) by at least three members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
- (c) by a member or members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all member having the right to vote at the meeting; or
- (d) by a member or members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy and holding shares in the Company 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
- (e) by any Director or Directors, who, individually or collectively, hold proxies in respect of shares representing 5% or more of the total voting rights at such meeting.

RECOMMENDATION

The Directors (including the independent non-executive directors) consider that the above proposals are in the best interests of the Company and the Shareholders as a whole and so recommend you to vote in favour of the resolutions at the Annual General Meeting. Your attention is drawn to the additional information set out in the appendices to this circular.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with respect to the Company. The information contained herein relating to the Company has been supplied by the Directors, who collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts not contained in this circular the omission of which would make any statement herein misleading insofar as it relates to the Company.

Yours faithfully,
On behalf of the Board
Ji Wei
Chairman

This is an explanatory statement given to all Shareholders relating to a resolution to be proposed at the Annual General Meeting for approving the Repurchase Mandate. This explanatory statement contains all the information required pursuant to Rule 10.06(1)(b) and other relevant provisions of the Listing Rules which is set out as follows:

1. SHARE CAPITAL

As at the Latest Practicable Date, there was a total of 704,247,787 Shares in issue.

Subject to the passing of the resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the Annual General Meeting, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 70,424,778 Shares, being 10% of the issued share capital of the Company.

2. REASONS FOR SHARE REPURCHASE

The Directors have no present intention to repurchase any Shares but consider that the ability to do so would give the company additional flexibility that would be beneficial to the Company and the Shareholders as such repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets value of the Company and/or its earning per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders as a whole.

As compared with the financial position of the Company as at 31 December 2006 (being the date of its latest audited financial statements), the Directors consider that there would not be any material adverse impact on the working capital and on the gearing position of the Company in the event that the proposed repurchase were to be carried out in full during the proposed repurchase period. In the circumstances, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would have a material adverse impact on the working capital or gearing ratio of the Company.

3. FUNDING OF REPURCHASE

The Company is empowered by its memorandum and articles of association to repurchase its shares. In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum and articles of association and laws of the Cayman Islands. The laws of the Cayman Islands provides that the amount of capital repaid in connection with a share repurchase may only be paid out of either the capital paid up on the relevant shares, or the funds of the Company that would otherwise be available for distribution by way of dividend or distribution or the proceeds of a new issue of shares made for such purpose. The amount of premium payable on repurchase of shares may only be paid out of either the profits that would otherwise be available for distribution by way of dividend or out of the share premium of the Company.

In addition, under the laws of the Cayman Islands, no purchase by a company of its own shares may be effected if, on the date on which the purchase is to be effected, there are reasonable grounds for believing that the company is, or after the purchase would be, unable to pay its liabilities as they become due. In accordance with the laws of the Cayman Islands, the shares so repurchased would be treated as cancelled but the aggregate amount of authorised share capital would not be reduced.

4. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

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

No connected person of the Company (as defined in the Listing Rules) has notified the Company that he/she/it has a present intention to sell Shares to the Company nor has he/she/it undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Repurchase Mandate is granted by the Shareholders.

5. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to Repurchase Mandate and in accordance with the Listing Rules, the memorandum and articles of association and the laws of the Cayman Islands.

6. EFFECT OF TAKEOVERS CODE

A repurchase of Shares by the Company may result in an increase in the proportionate interests of a substantial shareholder of the Company in the voting rights of the Company, which could give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, Star Treasure Investments Holdings Limited, which is beneficially owned by Mr. Ji Wei (Chairman of the Company), holds 480,000,000 Shares representing approximately 68.16% of the issued share capital of the Company, is a substantial shareholder of the Company. In the event that the Repurchase Mandate is exercised, the interest of Mr. Ji Wei in the Company would be increased to approximately 75.73% of the issued share capital of the Company and such increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. However, as a result of such repurchase, the number of Shares held by the public would fall below 25% of the Company's issued share capital. The Directors have no present intention to exercise the Repurchase Mandate to such an extent that would result in the public float of the Shares be less than 25%.

7. SHARE REPURCHASES BY THE COMPANY

The Company had not repurchased any Shares (whether on the Stock Exchange or otherwise) during the period from 1 April 2006 to the Latest Practicable Date.

8. SHARE PRICES

During the period from 1 April 2006 to the Latest Practicable Date, the highest and lowest traded prices for Shares on the Stock Exchange were as follows:—

Month	PER SHARE	
	Highest HK\$	Lowest HK\$
2006		
April	3.750	2.750
May	4.100	3.200
June	3.450	2.450
July	3.675	2.825
August	3.700	3.010
September	3.600	3.200
October	3.500	3.100
November	3.300	2.310
December	3.070	2.610
2007		
January	3.100	2.500
February	3.750	2.990
March	3.640	3.100
April (up to 13 April 2007)	3.710	3.200

APPENDIX II DETAILS OF RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED

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

1. MR. WANG XUE XIN, EXECUTIVE DIRECTOR, AGED 45

Mr. Wang is the general manager of the Company. He obtained a master degree in automation from the Harbin Industrial University in 1987 and was certified as a senior engineer. Mr. Wang lectured at the Taiyuan Industrial University between 1987 and 1990 and was the director of the development team of Taiyuan Industrial University Technological Development Company from 1990 to 1993. He worked as the engineer and the deputy manager of Hunan Weisheng Electronics Company Limited from 1993 to 2000. Mr. Wang joined the Group in 2000 and is responsible for carrying out the research and development functions of the Group. He obtained the Changsha Award for Scientific Advancement and Elite Expert of Changsha in 1998 and 2003 respectively. Mr. Wang was a director of Hunan Willfar Information Technology Company Limited from February 2000 to January 2005, a director of Hunan Weike Electronics Company Limited from May 2002 to January 2005 and a director of Hunan Wellspring Technology Company Limited from May 2002 to May 2004.

Mr. Wang has not held any directorships in other listed public companies in the last three years.

Mr. Wang has entered into a service contract with the Company for a term of three years commencing from 19 December 2005, the Listing Date, which may be terminated by either party thereto giving to the other, three months' notice in writing served by either party on the other. He is subject to retirement and re-election at annual general meeting of the Company in accordance with the Company's Articles of Association. The current annual director's fees and remuneration of Mr. Wang is HK\$985,000. He is also entitled to a discretionary management bonus provided that the aggregate amount of the bonuses payable to all the executive Directors for any financial year of the Company may not exceed 10% of the audited combined or consolidated net profit of the Group (after taxation and payment of such bonuses) in respect of that financial year of the Company. The level of his emoluments was determined on the basis of his experience, qualifications, responsibilities involved in the Company and the prevailing market conditions.

Mr. Wang is the spouse of Ms. Zheng Xiao Ping, an Executive Director of the Company. Save as disclosed herein, he is not connected with any other directors, senior management or substantial or controlling shareholders of the Company.

Mr. Wang has personal interest in 5,000,000 share options, comprising personal interest of 3,000,000 share options and family interest of 2,000,000 share options of the Company within the meaning of the Part XV of the SFO.

In relation to the re-election of Mr. Wang as a Director of the Company, there are no other matters that need to be brought to the attention of the Shareholders and there is no other information that is required to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules.

APPENDIX II DETAILS OF RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED

2. MS. ZHENG XIAO PING, EXECUTIVE DIRECTOR, AGED 44

Ms. Zheng is the chief engineer and the director of research of the Company. She graduated from the Taiyuan Industrial College with a degree in industrial automation. She obtained a master degree in engineering from the Taiyuan Mechanical Engineering College. Between 1987 and 1988, Ms. Zheng was a teaching assistant at the Taiyuan Industrial College. She lectured at the Taiyuan Industrial University between 1988 and 1993 and was appointed as the research director of Hunan Weisheng Electronics Company Limited from 1993 to 2000 being responsible for the research and development work. She joined the Group in 2000 and was responsible for the research and development work of the Company. Ms. Zheng was awarded the “Technical Expert with Outstanding Achievement” in 1998 and 2000 respectively by the Changsha High and New Technological Development Zone and was appointed as a member of the Changsha Political Congress in December 2002. In 2003, Ms. Zheng was awarded as an “Individual with Advanced Technology Creation in Hunan” by the Hunan Economic and Trade Committee. Ms. Zheng was appointed as a director of Changsha Weisheng Electronics Company Limited in March 2004 and an executive Director in September 2005.

Ms. Zheng has not held any directorships in other listed public companies in the last three years.

Ms. Zheng has entered into a service contract with the Company for a term of three years commencing from 19 December 2005, the Listing Date, which may be terminated by either party thereto giving to the other, three months’ notice in writing served by either party on the other. She is subject to retirement and re-election at annual general meeting of the Company in accordance with the Company’s Articles of Association. The current annual director’s fees and remuneration of Ms. Zheng is HK\$377,000. She is also entitled to a discretionary management bonus provided that the aggregate amount of the bonuses payable to all the executive Directors for any financial year of the Company may not exceed 10% of the audited combined or consolidated net profit of the Group (after taxation and payment of such bonuses) in respect of that financial year of the Company. The level of her emoluments was determined on the basis of her experience, qualifications, responsibilities involved in the Company and the prevailing market conditions.

Ms. Zheng is the spouse of Mr. Wang Xue Xin, an Executive Director of the Company. Save as disclosed herein, she is not connected with any other directors, senior management or substantial or controlling shareholders of the Company.

Ms. Zheng has interest in 5,000,000 share options, comprising personal interest of 2,000,000 share options and family interest of 3,000,000 share options of the Company within the meaning of the Part XV of the SFO.

In relation to the re-election of Ms. Zheng as a Director of the Company, there are no other matters that need to be brought to the attention of the Shareholders and there is no other information that is required to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules.

APPENDIX II DETAILS OF RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED

3. MR. LIAO XUE DONG, EXECUTIVE DIRECTOR, AGED 45

Mr. Liao graduated from the Central South University with a degree in mechanical equipment. He has worked with Hunan International Economic Development (Group) Company and Hunan Weisheng Electronics Company Limited prior to joining the Group in 2000. Mr. Liao is responsible for the operations of Changsha Weisheng Electronics Company Limited and was appointed as an executive Director in September 2005.

Mr. Liao has not held any directorships in other listed public companies in the last three years.

Mr. Liao has entered into a service contract with the Company for a term of three years commencing from 19 December 2005, the Listing Date, which may be terminated by either party thereto giving to the other, three months' notice in writing served by either party on the other. He is subject to retirement and re-election at annual general meeting of the Company in accordance with the Company's Articles of Association. The current annual director's fees and remuneration of Mr. Liao is HK\$285,000. He is also entitled to a discretionary management bonus provided that the aggregate amount of the bonuses payable to all the executive Directors for any financial year of the Company may not exceed 10% of the audited combined or consolidated net profit of the Group (after taxation and payment of such bonuses) in respect of that financial year of the Company. The level of his emoluments was determined on the basis of his experience, qualifications, responsibilities involved in the Company and the prevailing market conditions.

Mr. Liao is not connected with any directors, senior management or substantial or controlling shareholders of the Company.

Mr. Liao has interest in 1,600,000 share options of the Company within the meaning of the Part XV of the SFO.

In relation to the re-election of Mr. Liao as a Director of the Company, there are no other matters that need to be brought to the attention of the Shareholders and there is no other information that is required to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules.

**WASION METERS GROUP LIMITED****威勝儀表集團有限公司**

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3393)

NOTICE OF 2007 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2007 annual general meeting of Wasion Meters Group Limited (the “Company”) will be held at JW Marriott Ballroom, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Monday, 14 May 2007 at 3:00 p.m. for the following purposes:—

1. To receive, consider and adopt the audited Financial Statements and the Reports of the Directors and Auditors for the year ended 31 December 2006.
2. To declare a final dividend for the year ended 31 December 2006.
3. To re-elect the retiring directors and to authorise the board of directors to fix the directors’ remuneration.
4. To re-appoint the auditors and to authorise the board of directors to fix their remuneration.
5. As special business, to consider and, if thought fit, pass the following resolutions as ordinary resolutions:—
 - A. **“THAT:—**
 - (a) subject to paragraph (c) of this resolution, the exercise by the Directors of the Company during the Relevant Period (as defined in paragraph (d) below) of all 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 and rights of exchange or conversion which would or might require the exercise of such power be and it is hereby generally and unconditionally approved;
 - (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options and rights of exchange or conversion which would or might require the exercise of such power after the end of the Relevant Period;

(c) 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 pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (d) below); or (ii) an issue of shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiary companies of shares or rights to acquire shares of the Company; or (iii) the exercise of the subscription or conversion rights attaching to any warrants issued by the Company or any securities which are convertible into ordinary shares of the Company, shall not exceed 20% of the total nominal amount of the share capital of the Company in issue on the date of this Resolution and the said approval to the Directors in paragraph (a) above 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 earlier 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 Articles of Association of the Company or any applicable laws to be held; and
- (iii) the revocation or variation of the authority given under this Resolution by 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 to holders of shares on the register of members of the Company on a fixed record date in proportion to their shareholdings as at that date (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, or the requirements of any recognised regulatory body or any stock exchange in any territory).”

B. **“THAT:—**

(a) subject to paragraph (c) below, the exercise by the Directors of the Company during the Relevant Period (as defined in paragraph (d) below) of all powers of the Company to repurchase its own shares on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Rules governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and it is hereby generally and unconditionally approved;

- (b) the approval in paragraph (a) shall be in addition to any other authorisation given to the Directors of the Company and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to repurchase its shares at a price determined by the directors.
- (c) the aggregate nominal amount of share capital repurchased by the Company pursuant to 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 this Resolution and the said approval to the Directors in paragraph (a) above 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 earlier 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 Articles of the Company or any applicable laws to be held; and
 - (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders of the Company in general meeting.”
- C. “**THAT** conditional upon Resolutions 5A and 5B above being passed, the aggregate nominal amount of shares which are repurchased by the Company under the authority granted to the Directors as mentioned in Resolution 5B above shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company pursuant to Resolution 5A above, provided that the amount of share capital repurchased by the Company shall not exceed 10% of the total nominal amount of the share capital of the Company in issue on the date of this Resolution.”

On behalf of the Board
Ji Wei
Chairman

Hong Kong, 20 April 2007

Notes:—

1. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.
2. In order to be valid, the form of proxy must be deposited at the branch share registrar of the Company in Hong Kong at Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong 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, not less than 48 hours before the time for holding the meeting or adjourned meeting.
3. The register of members of the Company will be closed from 8 May 2007 to 14 May 2007 both days inclusive during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong at Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on 7 May 2007.