

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

If you have sold or transferred all your shares in AMS Public Transport Holdings Limited ("Company"), you should at once hand this circular with the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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AMS PUBLIC TRANSPORT HOLDINGS LIMITED
進智公共交通控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 77)

**PROPOSALS FOR RE-ELECTION OF DIRECTORS,
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES**

A notice convening the AGM of AMS Public Transport Holdings Limited to be held at Room 1301-5, Abba Commercial Building, 223 Aberdeen Main Road, Hong Kong on Thursday, 30 August 2007 at 11:00 a.m.. The AGM Notice is set out on pages 13 to 16 of this circular. A form of proxy for the AGM is also enclosed. Whether or not you are able to attend the AGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong share registrar, Union Registrars Limited, at Room 1803, Fook Lee Commercial Centre, Town Plaza, 33 Lockhart Road, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM or any adjourned meeting thereof. Completion and return of the form of proxy shall not preclude the Shareholders from attending and voting in person at the meeting should you so wish.

26 July 2007

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DEFINITIONS

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

“2006/07 Annual Report”	the annual report of the Company despatched to the Shareholders on or about 31 July 2007
“AGM”	the annual general meeting of the Company to be held at Room 1301-05, Abba Commercial Building, 223 Aberdeen Main Road, Hong Kong on Thursday, 30 August 2007 at 11:00 a.m.
“AGM Notice”	the notice convening the AGM as set out on pages 13 to 16 of this circular
“Articles of Association”	the articles of association of the Company
“Board”	the board of Directors
“Company”	AMS Public Transport Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 77)
“Director(s)”	the director(s) of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	23 July 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of HK\$0.10 each in the capital of the Company
“Share Option Scheme”	the share option scheme adopted by the Company on 22 March 2004
“Shareholder(s)”	Registered holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Takeovers Code”	Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

LETTER FROM THE BOARD



AMS PUBLIC TRANSPORT HOLDINGS LIMITED
進智公共交通控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 77)

Executive Directors:

Wong Man Kit (*Chairman*)
Ng Sui Chun
Wong Ling Sun, Vincent
Chan Man Chun

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Independent Non-Executive Directors:

Dr. Lee Peng Fei, Allen
Dr. Leung Chi Keung
Lam Wai Keung

Principal office in Hong Kong:

11th-12th Floors
Abba Commercial Building
223 Aberdeen Main Road
Aberdeen
Hong Kong

26 July 2007

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR RE-ELECTION OF DIRECTORS,
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES**

INTRODUCTION

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the AGM relating to (i) the re-election of Directors; (ii) the granting to the Directors of general mandates for the issue and the repurchase of Shares up to 20% and 10% respectively of the nominal amount of the Company's issued share capital as at the date of the passing of such resolutions as the previous general mandate granted to the Directors on 17 August 2006 to issue Shares and to repurchase Shares will expire at the AGM.

RE-ELECTION OF DIRECTORS

Pursuant to Article 87 of the Articles of Association, Mr. Wong Man Kit and Ms. Ng Sui Chun shall retire by rotation and, being eligible, offer themselves for re-election at the AGM. A brief biographical details of the retiring Directors are set out in Appendix I to this circular.

LETTER FROM THE BOARD

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

At the last annual general meeting of the Company held on 17 August 2006, ordinary resolutions were passed to grant general mandates authorising the Directors (i) to allot, issue and deal with the Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company at that date (“**Existing Issue Mandate**”); and (ii) to repurchase the Shares not exceeding 10% of the issued share capital, or the relevant class of shares, of the Company at that date (“**Existing Repurchase Mandate**”).

The Existing Issue Mandate and the Existing Repurchase Mandate will expire upon the conclusion of the AGM. The Directors consider that the Existing Issue Mandate and the Existing Repurchase Mandate increase the flexibility in the Company’s affairs and are in the interests of the Shareholders, and that the same shall continue to be adopted by the Company. New general mandates to allot, issue and deal with the Shares up to 20% (“**Issue Mandate**”) and to repurchase the Shares up to 10% of the issued share capital of the Company as at the date of passing of the resolutions (“**Repurchase Mandate**”) as set out in Resolutions 5(A) and 5(B) respectively of the AGM Notice will be proposed at the AGM. Resolution authorising the extension of the general mandate to the Directors to issue the Shares to include the aggregate nominal amount of such Shares repurchased (if any) under the Repurchase Mandate is to be proposed as Resolution 5(C) at the AGM.

With reference to the proposed new general mandates, the Directors wish to state that they have no immediate plans to issue any new or repurchase any Shares pursuant to the relevant mandates. Save as disclosed, the Company did not obtain any other general mandate or special mandate to issue Shares in the past 12 months.

An explanatory statement containing the particulars required by the Listing Rules to enable the Shareholders to make an informed view on whether to vote for or against Resolution 5(B) to be proposed at the AGM in relation to the proposed general mandates to repurchase Shares are set out in Appendix II to this circular.

AGM

The AGM Notice is set out on pages 13 to 16 of this circular. Ordinary resolutions in respect of the general mandates to issue and repurchase Shares will be proposed at the AGM.

A form of proxy for the AGM is also enclosed with the 2006/07 Annual Report. Whether or not you are able to attend the AGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company’s Hong Kong share registrar, Union Registrars Limited, at Room 1803, Fook Lee Commercial Centre, Town Plaza, 33 Lockhart Road, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the AGM or any adjourned meeting thereof should you so desire.

LETTER FROM THE BOARD

RIGHT TO DEMAND POLL

Pursuant to Article 66 of the Articles of Association, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (i) by the chairman of such meeting; or
- (ii) by at least three Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
- (iii) by a Shareholder or Shareholders present in person or in the case of a Shareholder 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 Shareholders having the right to vote at the meeting; or
- (iv) by a Shareholder or Shareholders present in person or in the case of a Shareholder 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.

A demand by a person as proxy for a Shareholder or in the case of a Shareholder being a corporation by its duly authorised representative shall be deemed to be the same as a demand by a Shareholder.

Unless a poll is duly demanded and the demand is not withdrawn, a declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect made in the minute book of the Company, shall be conclusive evidence of the facts without proof of the number or proportion of the votes recorded for or against the resolution.

RECOMMENDATION

The Directors consider that the proposed ordinary resolutions for approval of the re-election of the retiring Directors, the grant of general mandates to issue and repurchase Shares, and to add the aggregate nominal amount of Shares that may be repurchased to the aggregate nominal amount of the Shares that may be allotted pursuant to the general mandate to issue Shares are each in the best interests of the Company and the Shareholders as a whole, and accordingly, recommend all Shareholders to vote in favour of all the resolutions to be proposed at the AGM.

LETTER FROM THE BOARD

GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this circular. The English text of this circular shall prevail over the Chinese text.

Yours faithfully,
For and on behalf of the Board
AMS Public Transport Holdings Limited
Wong Man Kit
Chairman

The biographical details of the Directors proposed to be re-elected at the forthcoming AGM are set out as follows:

1. WONG MAN KIT, MH, FCILT

Mr. Wong Man Kit, aged 65 is one of the founders of the Group and the chairman of the Board of Directors. Mr. Wong has over 32 years' experience in the operation of public transport business in Hong Kong and is responsible for formulating the overall business strategies and corporate development of the Group.

Mr. Wong also holds directorships in most of the subsidiaries of the Company. Mr. Wong is the spouse of Ms. Ng Sui Chun, the father of Mr. Wong Ling Sun, Vincent and Ms. Wong Wai Sum, May and the brother of Mr. Wong Man Chiu. Both Ms. Ng Sui Chun and Mr. Wong Ling Sun, Vincent are Executive Directors, Ms. Wong Wai Sum, May is the human resources and deputy finance director; and Mr. Wong Man Chiu is the engineering manager of the Company. Mr. Wong does not hold any other directorship in listed public companies in the last three years.

As at the Latest Practicable Date, Mr. Wong was deemed to be interested in 146,070,000 Shares, representing 64.21% of the total issued share capital of the Company, held by Skyblue Group Limited ("Skyblue") under Part XV of the Shares and Futures Ordinance (the "SFO") as Mr. Wong is the settlor of The JetSun Trust. Skyblue is a wholly owned subsidiary of Metro Success Investments Limited ("Metro Success"), which in turn is a wholly owned subsidiary of JETSUN UT CO. LTD. ("JETSUN"). JETSUN is the trustee of the JetSun Unit Trust, of which 9,999 units are owned by HSBC International Trustee Limited ("HSBCITL") as the trustee of The JetSun Trust and the remaining 1 unit is owned by Mr. Wong Ling Sun, Vincent. The entire issued share capital of JETSUN is owned by HSBCITL. The JetSun Trust is a discretionary trust and its discretionary objects include Mr. Wong Ling Sun, Vincent and Ms. Ng Sui Chun. In addition, Mr. Wong personally held options to subscribe for 2,275,000 Shares as at the Latest Practicable Date.

Mr. Wong entered into a service agreement with the Company for an initial term of three year commencing from 22 March 2004 and shall continue thereafter until terminated by either party giving to the other not less than six months' prior notice in writing terminating on or after the expiry of the initial term of three years. The amount of remuneration as set out in the service agreement is approximately HK\$676,000 per annum, which includes an annual fixed sum bonus equal to his one month's fixed salary. He is also entitled to a discretionary bonus calculated by reference to a percentage (which is determined by the Board with reference to the Group's results and Mr. Wong's performance) of audited consolidated net profit of the Group after taxation and minority interest but before extraordinary items of the Group and before such bonus. He is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. Apart from this, Mr. Wong has no service contract or proposed service contract with any other members of the Group. The amount of the emoluments payable to Mr. Wong under the service contract is determined by the Company with reference to the level and/or range of remuneration package normally granted by employers in Hong Kong to a senior executive of comparable caliber and job responsibilities.

In relation to the re-election of Mr. Wong, there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions of rules 13.51(2)(h) to (v) of the Listing Rules. Save as disclosed herein, there is no other matter which needs to be brought to the attention of the Shareholders of the Company and there is no other information which is required to be disclosed pursuant to rule 13.51(2) of the Listing Rules.

2. MS. NG SUI CHUN

Ms. Ng Sui Chun, aged 56, the wife of Mr. Wong Man Kit, is one of the founders of the Group and the finance director of the Company. Ms. Ng has been actively involved in the management of daily operations of the Group for over 25 years and is responsible for the implementation of corporate policy, particularly in the area of finance and administration of the Group.

Ms. Ng also holds directorships in most of the subsidiaries of the Company. Ms. Ng is the wife of Mr. Wong Man Kit and the mother of Mr. Wong Ling Sun, Vincent and Ms. Wong Wai Sum, May. Both Mr. Wong Man Kit and Mr. Wong Ling Sun, Vincent are Executive Directors and Mr. Wong Wai Sum, May is the human resources and deputy financial director of the Company. She does not hold any other directorship in listed public companies in the last three years.

As at the latest practicable Date, Ms. Ng is directly interested in 7,018,000 Shares, representing 3.1% of the total issued share capital of the Company, and is deemed to be interested in 146,070,000 Shares, representing 64.21% of the total issued share capital of the Company, held by Skyblue under Part XV of the SFO as she is one of the discretionary beneficiaries of the JetSun Trust. In addition, Ms. Ng personally held options to subscribe for 2,275,000 Shares as at the Latest Practicable Date.

Ms. Ng entered into a service agreement with the Company for an initial term of three year commencing from 22 March 2004 and shall continue thereafter until terminated by either party with six months' notice in writing served on the other side. The amount of remuneration as set out in the service agreement is approximately HK\$533,000 per annum, which includes an annual fixed sum bonus equal to her one month's fixed salary. She is also entitled to a discretionary bonus calculated by reference to a percentage (which is determined by the Board with reference to the Group's results and Ms. Ng's performance) of audited consolidated net profit of the Group after taxation and minority interest but before extraordinary items of the Group and before such bonus. She is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. Apart from this, Ms. Ng has no service contract or proposed service contract with any other members of the Group. The amount of the emoluments payable to Ms. Ng under the service contract is determined by the Company with reference to the level and/or range of remuneration package normally granted by employers in Hong Kong to a senior executive of comparable caliber and job responsibilities.

In relation to the re-election of Ms. Ng, there is no information which is discloseable nor is/was she involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions of rules 13.51(2)(h) to (v) of the Listing Rules. Save as disclosed herein, there is no other matter which needs to be brought to the attention of the Shareholders of the Company and there is no other information which is required to be disclosed pursuant to rule 13.51(2) of the Listing Rules.

This Appendix contains the particulars that are required by the Listing Rules to be included in an explanatory statement to enable the Shareholders to make an informed view on whether to vote for or against the resolution to be proposed at the AGM in relation to the proposed Repurchase Mandate.

SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company was HK\$22,750,000 divided into 227,500,000 fully paid Shares.

Subject to the passing of the resolution granting the proposed mandate to repurchase Shares and on the basis that no further Shares are issued or repurchased before the AGM, the Company will be allowed to repurchase a maximum of 22,750,000 Shares during the period ending on the earlier of the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required to be held by the Articles of Association or any applicable laws or the date upon which such authority is revoked or varied by a resolution of the Shareholders in general meeting.

REASONS FOR REPURCHASES

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

FUNDING OF REPURCHASES

Repurchase must be funded out of funds which are legally available for such purpose in accordance with the Memorandum and Articles of Association of the Company and the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands ("Companies Law"). The Company may not repurchase its own Shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Under the Cayman Islands law, repurchases by the Company may only be made out of profits of the Company or out of the proceeds of a fresh issue of Shares made for the purpose, or, if so authorised by its Articles of Association and subject to the provisions of the Companies Law, out of capital under certain circumstances.

Any premium payable on a redemption or repurchase over the par value of the Shares to be repurchased must be provided for out of profits of the Company or out of the Company's share premium account, or, if so authorised by its Articles of Association and subject to the provisions of the Companies Law, out of capital under certain circumstances.

POSSIBLE MATERIAL ADVERSE IMPACT

Taking into account the current working capital position of the Company, the Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of the Company as compared with the position as at 31 March 2007, being the date of its latest audited consolidated financial statements. Therefore, the Directors do not intend to make any repurchases to such an extent as would, in the circumstances, have a material adverse effect on the appropriate working capital requirements or the gearing position of the Company as they would consider from time to time.

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.

TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING

If a Shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert could, depending on the level of such increase, obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, so far is known to the Directors and according to the register of interests and short positions of substantial Shareholders maintained by the Company pursuant to section 336 of the SFO, Skyblue Group Limited, a company incorporated in the British Virgin Islands and 100% owned by Metro Success Investments Limited, was interested in 146,070,000 shares, representing 64.21% of the entire issued capital of the Company. Metro Success Investments Limited is 100% owned by JETSUN UT CO. LTD. which is the trustee of the JetSun Unit Trust, of which 9,999 units are owned by HSBC International Trustee Limited and the remaining 1 unit is owned by Mr. Wong Ling Sun, Vincent. The entire issued share capital of JETSUN UT CO. LTD. is owned by HSBC International Trustee Limited. The discretionary objects of The JetSun Unit Trust are Ms. Ng Sui Chun, Mr. Wong Ling Sun, Vincent, Ms. Wong Wai Sze, Cecilia, Ms. Wong Wai Sum, May and Ms. Wong Wai Man, Vivian.

Assuming that Skyblue Group Limited (being the controlling Shareholder of the Company as at the Latest Practicable Date) does not dispose of its Shares, and if the Repurchase Mandate were exercised in full, the percentage of shareholding of Skyblue Group Limited before and after such repurchase based on the issued share capital as at the Latest Practicable Date is 64.21% and would be increased to approximately 71.35% respectively.

On the basis of the aforesaid increase of shareholding held by Skyblue Group Limited, the Directors are not aware of any consequences of such repurchases of Shares that would result in Skyblue Group Limited or any other Shareholder, or group of Shareholders acting in concert, becoming obliged to make a mandatory offer under Rules 26 and 32 of the Takeovers Code. If the Repurchase Mandate were exercised in full, the percentage of shareholding held by Skyblue Group Limited and other connected persons will exceed 75% and thus, the number of the Company's shares held by the public would fall below 25% of the total number of Shares in issue. Neither the Company nor any of its subsidiaries has present intention to exercise the Repurchase Mandate.

SHARE PRICES

During each of the twelve months preceding the Latest Practicable Date, the highest and lowest prices at which shares were traded on the Stock Exchange were as follows:

	Highest (HK\$)	Lowest (HK\$)
2006		
July	1.68	1.55
August	1.69	1.37
September	1.52	1.40
October	1.49	1.46
November	1.50	1.41
December	1.49	1.41
2007		
January	1.51	1.43
February	1.55	1.44
March	1.49	1.38
April	1.43	1.40
May	1.47	1.40
June	1.62	1.46
July (up to the Latest Practicable Date)	1.60	1.51

SHARE REPURCHASE MADE BY THE COMPANY

Neither the Company nor any of its subsidiaries has purchased any of the Company's shares (whether on the Stock Exchange or otherwise) in the six months immediately preceding the Latest Practicable Date.

GENERAL

None of the Directors, to the best of their knowledge, and having made all reasonable enquiries, nor any of their associates (as defined in the Listing Rules) have any present intention to sell Shares to the Company or its subsidiaries. The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate to repurchase Shares in accordance with the Listing Rules and applicable laws of the Cayman Islands.

No connected persons (as defined in the Listing Rules) of the Company, have notified the Company that they have a present intention to sell Shares held by them to the Company, or have undertaken not to sell Shares to the Company in the event that the Company is authorised to make repurchases of the Shares.



AMS PUBLIC TRANSPORT HOLDINGS LIMITED
進智公共交通控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 77)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at Room 1301-1305, Abba Commercial Building, 223 Aberdeen Main Road, Hong Kong on Thursday, 30 August 2007 at 11:00 am for the purpose of transacting the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements and the reports of the directors ("Directors") and auditors of the Company and its subsidiaries (the "Group") for the year ended 31 March 2007.
2. To declare a final dividend for the year ended 31 March 2007.
3. (A) To re-elect the retiring Directors.
(B) To authorise the board of Directors to fix their remuneration.
4. To appoint Grant Thornton as Auditors of the Company for the ensuing year and authorise the board of Directors to fix their remuneration. According to an announcement made by the Company's existing auditors, Moores Rowland (formerly Moores Rowland Mazars), with effect from 1 June 2007, they have combined their business with Grant Thornton. Accordingly, it is proposed that Grant Thornton be appointed as auditors of the Company to take office until the conclusion of the next Annual General Meeting.
5. To consider and, if thought fit, to pass the following resolutions with or without amendments as ordinary resolutions:
 - (A) "THAT:
 - (1) a general mandate be and is hereby unconditionally given to the board of Directors of the Company during the Relevant Period to issue, allot or otherwise deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such power, subject to the following conditions:

NOTICE OF ANNUAL GENERAL MEETING

- (a) such mandate shall not extend beyond the Relevant Period save that the Board of Directors of the Company may during the Relevant Period make or grant offers, agreements and options which might require the exercise of such powers at any time during or after the end of the Relevant Period; and
- (b) the aggregate nominal amount of shares in the capital of the Company which may be allotted, issued or otherwise dealt with by the Board of Directors of the Company pursuant to such mandate, otherwise than pursuant to (i) a Rights Issue; or (ii) the exercise of rights of subscription or conversion under the terms of any warrants or other securities issued by the Company carrying a right to subscribe for or purchase shares of the Company; or (iii) the exercise of any option under any share option scheme of the Company adopted by its Shareholders for the grant or issue to employees of the Company and/or any of its subsidiaries of options to subscribe for or rights to acquire shares of the Company; or (iv) any scrip dividend or other similar scheme implemented in accordance with the Memorandum and Articles of Association of the Company, shall not exceed 20 per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution; and

- (2) for the purpose 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 its Memorandum and Articles of Association or any applicable laws of the Cayman Islands to be held; and
- (c) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the Shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Board of Directors of the Company to holders of shares on its Register of Members on a fixed record date in proportion to their holdings of shares (subject to such exclusions or other arrangements as the Board of

NOTICE OF ANNUAL GENERAL MEETING

Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong applicable to the Company)."

(B) "THAT:

(1) a general mandate be and is hereby unconditionally given to the board of Directors of the Company during the Relevant Period to exercise all powers of the Company to repurchase shares in the capital of the Company subject to the following conditions:

- (a) the exercise of all powers pursuant to such mandate shall be subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or of any other applicable stock exchange; and
- (b) the aggregate nominal amount of shares in the share capital of the Company which may be purchased pursuant to such mandate shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution.

(2) for the purpose 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 its Memorandum and Articles of Association or any applicable laws of the Cayman Islands to be held; and
- (c) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the Shareholders of the Company in general meeting."

NOTICE OF ANNUAL GENERAL MEETING

- (C) “**THAT** the general mandate granted to the Board of Directors of the Company pursuant to the authority given in the resolution set out in item 5(A) in the notice convening this Meeting to issue, allot or otherwise deal with additional shares of the Company during the Relevant Period (as defined in that Resolution) be and is hereby extended by the addition to the aggregate nominal amount of shares in the capital of the Company which may be issued, allotted or otherwise dealt with pursuant to such general mandate of an amount representing the aggregate nominal amount of shares in the capital of the Company repurchased by the board of Directors of the Company pursuant to their exercise of the powers of the Company to repurchase such shares in accordance with resolution 5(B) above, provided that such amount shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution.”

By order of the Board
Wong Ka Yan
Company Secretary

Hong Kong, 31 July 2007

Notes:

- (1) A member entitled to attend and vote at the Meeting (if a member who is the holder of two or more shares) is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company.
- (2) To be valid, the 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 such power or authority must be deposited at the Company's Hong Kong share registrar and transfer office, Union Registrars Limited, at Room 1803, Fook Lee Commercial Centre, Town Plaza, 33 Lockhart Road, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the Meeting or any adjourned Meeting. Completion and delivery of the form of proxy will not preclude you from attending and voting at the Meeting if you so desire.
- (3) The Register of Members of the Company will be closed from Monday, 27 August 2007 to Thursday, 30 August 2007, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend to be approved at the forthcoming Annual General Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar, Union Registrars Limited, at Room 1803, Fook Lee Commercial Centre, Town Plaza, 33 Lockhart Road, Wanchai, Hong Kong, for registration not later than 4:00 p.m. on Friday, 24 August 2007.
- (4) If approved, the final dividend will be payable on Friday, 7 September 2007.
- (5) As at the date of this circular, the Executive Directors of the Company are Mr. Wong Man Kit, Ms. Ng Sui Chun, Mr. Wong Ling Sun, Vincent, Mr. Chan Man Chun; the Independent Non-Executive Directors are Dr. Lee Peng Fei, Allen, Dr. Leung Chi Keung and Mr. Lam Wai Keung.