
IMPORTANT

If you are in doubt about 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 Shanghai International Shanghai Growth Investment Limited, you should at once hand this circular with the enclosed 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 transferee.

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SHANGHAI INTERNATIONAL SHANGHAI GROWTH INVESTMENT LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 770)

**(1) GENERAL MANDATES FOR REPURCHASE BY THE COMPANY
OF ITS OWN SHARES AND FOR ISSUE OF SHARES,
(2) RE-ELECTION OF RETIRING DIRECTORS,
AND
NOTICE OF ANNUAL GENERAL MEETING**

The purpose of this document is to provide you with information regarding resolutions to be proposed as special business at the Annual General Meeting to be held at Basement 1, Monaco Room, Regal Hong Kong Hotel, 88 Yee Wo Street, Causeway Bay, Hong Kong at 10:00 a.m. on April 25, 2007. These include resolutions relating to general mandates for the repurchase by the Company of its own shares and for the issue of shares.

If you are unable to attend the Annual General Meeting in person, you are requested to complete and return the form of proxy enclosed with this circular in accordance with the instructions printed thereon as soon as possible and in any event not less than 24 hours before the time appointed for the Meeting. Completion and return of the proxy will not preclude any member from attending and voting in person.

March 30, 2007

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DEFINITIONS

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

“Annual General Meeting” or “Meeting”	the annual general meeting of the Company to be held at Basement 1, Monaco Room, Regal Hong Kong Hotel, 88 Yee Wo Street, Causeway Bay, Hong Kong on April 25, 2007 at 10:00 a.m. at which the 2006 Annual Report will be adopted and for the purpose of approving, inter alia, the Repurchase Mandate and the Share Issue Mandate;
“Articles”	the existing articles of association of the Company;
“Board”	the Company’s board of Directors;
“Company”	Shanghai International Shanghai Growth Investment Limited;
“Director(s)”	Director(s) of the Company;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“INED”	Independent Non-Executive Director of the Company;
“Investment Manager”	Shanghai International Asset Management (HK) Co., Ltd., the Company’s investment manager;
“Latest Practicable Date”	March 27, 2007, being the latest practicable date for ascertaining certain information referred to in this circular prior to the printing of this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time;
“Net Asset Value(s)”	the net asset value(s) of the Company from time to time as calculated in accordance with the provisions of the Articles;
“Repurchase Mandate”	the general mandate to exercise the power of the Company to repurchase Shares up to a maximum of 10% of the issued share capital of the Company as at the date of the resolution approving the Repurchase Mandate;

DEFINITIONS

“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong);
“Share(s)”	ordinary share(s) of US\$0.10 each in the share capital of the Company;
“Share Issue Mandate”	the general mandate to issue, allot and deal with Shares not exceeding 20% of the issued share capital of the Company as at the date of passing of the resolution approving the Share Issue Mandate;
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Repurchases approved by the Securities and Futures Commission as amended from time to time;
“US”	the United States of America;
“US\$”	US dollars, the lawful currency of the US; and
“%” or “per cent.”	percent.

LETTER FROM THE BOARD OF DIRECTORS

SHANGHAI INTERNATIONAL SHANGHAI GROWTH INVESTMENT LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 770)

Executive Directors:

Wu, Choi Sun William

Xue, Wanxiang

Non-Executive Directors:

Cai, Nongrui

Chen, Chi-chuan

Chiu, Tak-chiang (also known as Yau, Tak-chiang)

Hu, Jinggang

Lee, Tien-chieh

Tseng, Ta-mon

Wang, Changhong

Lin, Bin

Registered Office:

Ugland House

P.O. Box 309

George Town

Grand Cayman

Cayman Islands

Principal office:

23rd Floor

Two, International

Finance Centre

8 Finance Street

Central

Hong Kong

Independent Non-Executive Directors:

Hua, Min

Ong, Ka Thai

Yick, Wing Fat Simon

March 30, 2007

To the Shareholders

Dear Sir/Madam,

**(1) GENERAL MANDATES FOR REPURCHASE BY THE COMPANY
OF ITS OWN SHARES AND FOR ISSUE OF SHARES,
(2) RE-ELECTION OF RETIRING DIRECTORS,
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

At the Annual General Meeting, resolutions will be proposed to (i) grant to the Directors the Repurchase Mandate and the Share Issue Mandate to repurchase and issue Shares; (ii) extend the Share Issue Mandate to issued and repurchased Shares; and (iii) re-elect the retiring Directors. In compliance with the Listing Rules, this circular provides all the information reasonably necessary to enable the Shareholders to make informed decisions on whether to vote for or against the resolutions approving the granting to the Directors of the Repurchase Mandate and the Share Issue Mandate to repurchase and issue Shares and to re-elect the retiring Directors.

LETTER FROM THE BOARD OF DIRECTORS

2. GENERAL MANDATE TO REPURCHASE SHARES

At the Annual General Meeting, an ordinary resolution will be proposed that the Directors be given a Repurchase Mandate to repurchase Shares on the Stock Exchange. The Repurchase Mandate would continue in force until the conclusion of the next annual general meeting of the Company unless it is renewed at such meeting or until revoked or varied by ordinary resolution of the Shareholders in general meeting prior to the next annual general meeting. An explanatory statement, as required by the Listing Rules to provide the requisite information in connection with the Repurchase Mandate, is set out in Appendix I to this circular.

3. GENERAL MANDATE TO ISSUE SHARES

At the Annual General Meeting, an ordinary resolution will also be proposed that the Directors be granted the Share Issue Mandate to issue further Shares representing up to 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date the resolution is passed. Subject to the passing of the aforesaid ordinary resolutions for the Repurchase Mandate and Share Issue Mandate, an ordinary resolution will also be proposed to authorize the Directors to allot and issue Shares in an amount not exceeding the aggregate nominal amount of the Shares in the share capital of the Company purchased pursuant to the Repurchase Mandate.

4. RE-ELECTION OF RETIRING DIRECTORS

Pursuant to articles 93, 98(b) and 98(c) of the Company's Articles, Mr. Ong, Ka Thai, Dr. Xue, Wanxiang and Mr. Lin Bin (collectively, the "Retiring Directors") will retire from office and, being eligible, offer themselves for re-election by the Shareholders at the Annual General Meeting. The biographical details of the above-mentioned Directors are set out in Appendix II to this circular.

Mr. Chiu, Tak-chiang and Mr. Hu, Jिंगgang will also retire at the Annual General Meeting in accordance with articles 98(b) and 98(c) of the Company's Articles but does not offer themselves for re-election due to personal reasons. Each of Mr. Chiu and Mr. Hu has confirmed to the Board that there is no disagreement between themselves and the Board and there is no matter that needs to be brought to the attention of Shareholders or the Stock Exchange in relation to their retirement from office.

The Board would like to express its gratitude to Mr. Chiu, Tak-chiang and Mr. Hu, Jिंगgang for their past contributions to the Company.

5. ANNUAL GENERAL MEETING

Set out in pages 12 to 15 of this circular, is a notice to convene the Annual General Meeting to consider and, if thought fit, approve, inter alia, the Repurchase Mandate, the Share Issue Mandate and the re-election of Retiring Directors. The Annual General Meeting of the Company will be held at Basement 1, Monaco Room, Regal Hong Kong Hotel, 88 Yee Wo Street, Causeway Bay, Hong Kong at 10:00 a.m. on April 25, 2007.

LETTER FROM THE BOARD OF DIRECTORS

There is enclosed a form of proxy for use at the Annual General Meeting. Whether or not you intend to be present at the Meeting, you are requested to complete the form of proxy and return it to the Company's registrars in Hong Kong in accordance with the instructions printed thereon not less than 24 hours before the time fixed for holding the Meeting. Completion and delivery of the form of proxy will not prevent Shareholders from attending, and voting at, the Meeting if they so wish.

6. RIGHT TO DEMAND A POLL

Pursuant to existing article 52 of the Articles, 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, a poll is duly demanded:

- (a) by the chairman of the meeting; or
- (b) by not less than three Shareholders present in person or by proxy or authorized representative for the time being entitled to vote at the meeting; or
- (c) by a Shareholder or Shareholders present in person or by proxy or authorized representative and representing not less than one-tenth of the total voting rights of all the Shareholders having the right to vote at the meeting; or
- (d) by a Shareholder or Shareholders present in person or by proxy or authorized representative and holding Shares conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right.

7. RECOMMENDATION

The Directors consider that the granting of Repurchase Mandate, Share Issue Mandate, the extension of the Share Issue Mandate and re-election of Retiring Directors are in the best interests of the Company and its Shareholders as a whole and so recommend that you vote in favor of the resolutions to be proposed at the Annual General Meeting.

Yours faithfully,
For and on behalf of the Board
Wu, Choi Sun William
Executive Director

References in this Explanatory Statement to “Shares” mean fully paid up ordinary shares of US\$0.10 each in the capital of the Company.

1. SHARE CAPITAL

As at March 27, 2007 (being the Latest Practicable Date prior to the printing of this document), the issued share capital of the Company comprised 8,905,000 Shares in the Company. The passing of the Ordinary Resolution (5) as set out in the Notice of Annual General Meeting on pages 12 to 15 will allow the Company to repurchase up to a maximum of 890,500 Shares on the basis that no further Shares will be issued or repurchased prior to the date of the Annual General Meeting.

2. REASONS FOR REPURCHASE

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

3. FUNDING OF REPURCHASES

Repurchase Mandate would be funded from the available cash flow and/or working capital facilities of the Company. The funds employed by the Company in connection with a repurchase of Shares would be those legally available for such purpose under the Company’s Memorandum and Articles of Association and the laws of the Cayman Islands.

There might be material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements for the year ended December 31, 2006 contained in the 2006 Annual Report) in the event that the mandate to repurchase Shares were to be exercised in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing levels of the Company at the time of the relevant repurchases unless the Directors determined that such repurchases were, taking into account all relevant factors, in the best interests of the Company.

4. GENERAL

To the best of the Directors’ knowledge after having made all reasonable enquiries, none of the Directors nor their associates currently intend to sell any Shares to the Company or its subsidiaries under the Repurchase Mandate if such Repurchase Mandate is approved by Shareholders.

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

No connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company, nor have they undertaken not to do so in the event that the Repurchase Mandate is approved by Shareholders.

5. TAKEOVERS CODE CONSEQUENCES

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

As at the Latest Practicable Date, the register of interests in Shares and short positions maintained by the Company pursuant to Section 336 of the SFO showed that the Company had been notified of the following interests, being 5% or more of the issued share capital of the Company:

<i>Note</i>	Name	Current shareholding %	New shareholding % if the Repurchase Mandate were fully exercised
(1)	Mr. Jacob Ezra Merkin	18.98	21.09
(1)	Gabriel Capital Corporation ("GCC")	13.74	15.26
(1)	Gabriel Capital, L.P. ("Gabriel")	5.25	5.83
(1)	Ariel Fund Limited ("Ariel")	7.75	8.62
(2)	Mr. Hsu Sheng-yu	12.07	13.41
(2)	Chung Chia Company Limited ("Chung Chia")	6.72	7.47
(2)	Kwang Shun Company Limited ("Kwang Shun")	5.35	5.94
(3)	Ms. Hsu Tsui-hua	6.72	7.47
(4)	Ms. Chang Hsiu-yen	5.35	5.94
(5)	Shanghai International Group Corporation Ltd.	5.65	6.28
(5)	Shanghai International Trust & Investment Co., Ltd. ("SITICO") Dover Street VI L.P.	5.65	6.28
(6)	Ruentex Industries Ltd.	5.61	6.24
(6)	Ruentex Industries Ltd.	6.93	7.69
(7)	Ruentex Development Co., Ltd.	6.71	7.46

Notes:

- (1) Mr. J. Erza Merkin is the General Partner of Gabriel, he is deemed to be interested in 1,690,500 shares by virtue of his 100% control over GCC and Gabriel. Besides, GCC is also deemed to be interested in the Company through its management of Ariel and other funds.
- (2) Mr. Hsu Sheng-yu has an indirect interest in the Company through his 50% beneficial interest in each of Chung Chia and Kwang Shun.
- (3) Ms. Hsu Tsui-hua has an indirect interest in the Company through her 50% beneficial interest in Chung Chia.
- (4) Ms. Chang Hsiu-yen has an indirect interest in the Company through her 50% beneficial interest in Kwang Shun.
- (5) Shanghai International Group Corporation Ltd has an indirect interest in the Company through its approximately 66.33% equity interest in SITICO.
- (6) Apart from a direct holding of 257,000 shares in the Company, Ruentex Industries Limited holds an indirect interest in the Company through its 100% ownership in Full Shine Int'l Holdings Ltd..
- (7) Apart from a direct holding of 228,000 shares in the Company, Ruentex Development Co., Ltd holds an indirect interest in the Company through its 100% ownership in Ruentex Construction Int'l (BVI) Ltd..

In the event that the Directors exercise the Repurchase Mandate in full, there will not be any consequences which may arise under the Takeovers Code, however, the public float of the Shares will fall below 25 per cent. and the Company will not be able to comply with Rule 8.08 of the Listing Rules. As a result of the above, the Company will not exercise the Repurchase Mandate should the public float requirement not be met.

6. SHARE REPURCHASE MADE BY THE COMPANY

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

7. MARKET PRICE OF SHARES

The following table shows the highest and lowest prices at which the Shares of the Company have been traded on the Stock Exchange in each of the last twelve months:

	Highest <i>US\$</i>	Lowest <i>US\$</i>
2006		
March	4.400	3.950
April	4.000	2.550
May	2.775	2.600
June	2.800	2.550
July	2.725	2.550
August	2.600	2.530
September	2.550	2.000
October	2.200	1.950
November	2.400	2.100
December	2.530	1.98
2007		
January	2.500	2.000
February	2.600	2.250
March (up to the Latest Practicable Date)	2.750	2.400

The biographical information of the Retiring Directors eligible for re-election at the Annual General Meeting is set out below.

Independent Non-Executive Director

Mr. Ong, Ka Thai, aged 52, has been an INED since June 1997 and is the Chairman of the Company's Remuneration Committee. Mr. Ong is the Chairman of a number of companies including Ong First Tradition Pte. Ltd., Ong Commodities Pte. Ltd. and Ong Pacific Capital Ltd. He holds a Bachelor of Arts degree in Economics from the University of California at Los Angeles. Mr. Ong has over 25 years of experience in manufacturing, corporate and trade finance, regional equity, futures and commodities trading, investment banking and corporate advisory services, as well as direct and private equity investments.

Mr. Ong had served as CEO for a number of multinational joint ventures, and is a director of Singamas Container Holdings Ltd., a company listed on the Stock Exchange.

Mr. Ong has entered into a re-appointment agreement with the Company for a term of 2 years from June 1, 2005. He is subject to retirement by rotation and re-election at the Company's annual general meetings in accordance with articles 98(b) and 98(c) of the Company's Articles. He is entitled to an annual director's fee of HK\$100,000 and is not entitled to any bonus payments, whether fixed or discretionary in nature. The fee of INED is determined by the Board with reference to remuneration benchmark in the prevailing market.

Mr. Ong is not connected with any director, senior management or substantial or controlling Shareholder of the Company. He does not have any beneficial interest or short position in the Shares of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, there are no other matters that needed to be brought to the attention of the Shareholders of the Company. There is no information to be disclosed pursuant to the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules.

Executive Director

Dr. Xue, Wanxiang, aged 41, joined the Company in June 2003 and is an Executive Director and Vice President of the Investment Manager. Dr. Xue holds a doctorate degree in International Finance from Shanghai Fudan University, PRC. He obtained his Master's degree in Economics and Bachelor of Science degree from East China Normal University. Before joining the Company, Dr. Xue was the Deputy General Manager of Shanghai Securities Co., Ltd. since 2001. He was head of two departments while at Fujian Industrial Bank Co., Ltd., Shanghai Branch from 1998 to 2001. Before that, he was with the Peoples Bank of China, Shanghai Branch from 1995 to 1998. Dr. Xue has over 10 years' senior management experience in the banking and securities sector in the PRC.

Non-executive Director

Mr. Lin, Bin, aged 52, is newly appointed as a non-executive director of the Company on March 22, 2007. Mr. Lin was appointed an executive director of the Company from September 2000 to June 2003. He is currently also a director of the Investment Manager. Mr. Lin did a tour of study at the University of Illinois at Urbana-Champaign and holds an executive Master of Business Administration degree from the China-Europe International Business School.

Mr. Lin is a Deputy General Manager of Shanghai International Trust & Investment Co., Ltd. (“SITICO”), a substantial shareholder of the Company, since May 2003. Mr. Lin joined SITICO in 1984, and has held numerous positions including General Manager of SITICO Trading Pudong Inc., Deputy General Manager of Financial Division II and Trust Division III of SITICO and General Manager of SITICO Financial Services Centre. He has more than 18 years of experience in trading, securities, trust and financial services areas in the PRC.

There is no service contract entered into between the Company and Dr. Xue and Mr. Lin respectively and they are not remunerated in fee for serving the office as Director. They will be subject to retirement by rotation and re-election at the Company’s annual general meetings in accordance with articles 93, 98(b) and 98(c) of the Company’s Articles.

Save as disclosed above, each of Dr. Xue and Mr. Lin has not held other directorship in any publicly listed companies in the last three years and are not related to any director, senior management or substantial or controlling Shareholder of the Company. They do not have any beneficial interest or short position in the Shares of the Company within the meaning of Part XV of the SFO. There are no other matters that needed to be brought to the attention of the Shareholders. There is no information to be disclosed pursuant to the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING

SHANGHAI INTERNATIONAL SHANGHAI GROWTH INVESTMENT LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 770)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at Basement 1, Monaco Room, Regal Hong Kong Hotel, 88 Yee Wo Street, Causeway Bay, Hong Kong at 10:00 a.m. on April 25, 2007 for the following purposes:

1. To receive and consider the audited financial statements and the reports of the directors and the auditors for the year ended December 31, 2006.
2. To approve and declare a special final dividend for the year ended December 31, 2006.
3. To re-elect directors and to fix their remuneration.
4. To re-appoint auditors and to authorize the Board of Directors to fix their remuneration.

As special business, to consider and if thought fit, pass with or without amendments the following resolutions as Ordinary Resolutions:

ORDINARY RESOLUTIONS

5. **“THAT:**
 - (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares in the capital of the Company, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;
 - (b) the manner in which the shares in the capital of the Company may be repurchased shall be at the discretion of the directors of the Company as they may from time to time see fit provided that such repurchases shall be effected by on-market purchases on The Stock Exchange of Hong Kong Limited or on any other stock exchange recognized for this purpose by the Securities and Futures Commission and The Stock Exchange of Hong Kong Limited under the Hong Kong Code on Share Repurchases and in accordance with the relevant rules of The Stock Exchange of Hong Kong Limited or such other exchange and the aggregate nominal amount of the shares in the capital of the Company which may be repurchased pursuant to the approval in paragraph (a) above 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, and the said approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

- (c) for the purpose of this Resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; or
- (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders in general meeting.”

6. **“THAT:**

- (a) subject to paragraph (c) 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 which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorize the directors of the Company during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined), (ii) 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 subsidiaries of shares or rights to acquire shares of the Company, (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Articles of Association of the Company, shall not exceed the aggregate of:
 - (i) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution, plus

NOTICE OF ANNUAL GENERAL MEETING

(ii) Subject to passing of the following Ordinary Resolution (7), the number of shares in the capital of the Company repurchased by the Company subsequent to the passing of this Resolution (up to a maximum equivalent to 10 per cent. of the aggregate number of shares in the capital of the Company in issue at the date of passing this Resolution), and the said approval shall be limited accordingly; and

(d) for the purpose of this Resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; or
- (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders in general meeting.

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

7. “**THAT** the directors of the Company be and are hereby authorized to exercise the powers of the Company referred to in paragraph (a) of the resolution set out as Resolution 6 in the notice of this meeting in respect of the share capital of the Company referred to in sub-paragraph (ii) of paragraph (c) of such resolution.”

By Order of the Board
Andrew K. W. Liang
Company Secretary

Hong Kong, March 30, 2007

NOTICE OF ANNUAL GENERAL MEETING

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, in the event of a poll, vote on his behalf. A proxy need not be a member of the Company.
2. In order to be valid, the form of proxy together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority must be lodged at the Company's registrar in Hong Kong, Secretaries Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong not less than 24 hours before the time for holding the Meeting or adjourned meeting. Completion and return of the form of proxy will not preclude a member from attending and voting in person at the Meeting or any adjourned meeting should he so wish.
3. The register of members of the Company will be closed from April 19, 2007 to April 25, 2007, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed special final dividend and to determine entitlement to attend and vote at the Meeting, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's Registrar, Secretaries Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong for registration no later than 4:00 p.m. on April 18, 2007.
4. In relation to Resolution 3, the retiring directors standing for re-election at the Meeting are Mr. Ong, Ka Thai, Dr. Xue Wanxiang and Mr. Lin Bin. Biographical details of the above directors are disclosed in Appendix II to the circular ("Circular") dated March 30, 2007 to be dispatched to members of the Company together with this notice and the 2006 Annual Report.
5. In relation to Resolution 5, an explanatory statement (as required by the Listing Rules) is set out in Appendix I to the Circular.