
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 543)

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

A notice convening an annual general meeting of Pacific Online Limited to be held at Vinson Room, Pacific Place Conference Centre, Level 5, One Pacific Place, 88 Queensway, Hong Kong on Monday, 19 May 2008 at 10:00 a.m. is set out on pages 26 to 29 of this circular. A form of proxy for use at the annual general meeting is also enclosed. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited (<http://www.hkexnews.hk>) and the Company (<http://corp.pconline.com.cn>).

If you are not able to attend the annual general meeting, please complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Share Registrar of the Company in Hong Kong, Tricor Investor Services Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the meeting if they so wish.

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DEFINITIONS

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

| | |
|-----------------------------------|--|
| “Annual General Meeting” | an annual general meeting of the Company to be held at Vinson Room, Pacific Place Conference Centre, Level 5, One Pacific Place, 88 Queensway, Hong Kong on Monday, 19 May 2008 at 10:00 a.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 26 to 29 of this circular, or any adjournment thereof; |
| “Board” | the board of Directors; |
| “Buyback Mandate” | as defined in paragraph 2(a) of the Letter from the Board; |
| “Company” | Pacific Online 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; |
| “Current Articles of Association” | the current articles of association of the Company adopted on 23 November 2007; |
| “Director(s)” | the director(s) of the Company; |
| “Group” | the Company and its subsidiaries from time to time; |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong; |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China; |
| “Issuance Mandate” | as defined in paragraph 2(b) of the Letter from the Board; |
| “Latest Practicable Date” | 16 April 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular; |
| “Listing Date” | 18 December 2007, the date on which trading in Shares commenced on the Stock Exchange; |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange; |
| “RMB” | Renminbi, the lawful currency of the People’s Republic of China; |
| “SFO” | the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong; |

DEFINITIONS

| | |
|------------------|--|
| “Share(s)” | ordinary share(s) of HK\$0.01 each in the capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company; |
| “Shareholder(s)” | holder(s) of Share(s); |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited; |
| “Takeovers Code” | the Codes on Takeovers and Mergers issued by the Securities and Futures Commission in Hong Kong. |


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PACIFIC ONLINE LIMITED
太平洋網絡有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 543)

Executive Directors:

Lam Wai Yan (*Chairman & Chief Executive Officer*)
Ho Kam Wah
Wang Da-Shin, Jeff
Zhang Cong Min
Tsung Shih Kin, Samuel

Registered Office:

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

Independent Non-executive Directors:

Tsui Yiu Wa, Alec
Thaddeus Thomas Beczak
Louie Ming

Principal Place of Business in

Hong Kong:
Unit 807, Tower 2
Lippo Centre
89 Queensway
Hong Kong

21 April 2008

To the shareholders

Dear Sir/Madam,

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

1. INTRODUCTION

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

LETTER FROM THE BOARD

2. PROPOSED GRANTING OF THE BUYBACK AND ISSUANCE MANDATES

The current general mandates previously granted to the Directors to issue and repurchase Shares by written resolutions of the shareholders of the Company passed on 23 November 2007 will expire at the conclusion of the Annual General Meeting. In order to give the Company the flexibility to issue and repurchase Shares if and when appropriate, the following ordinary resolutions will be proposed at the Annual General Meeting to approve the granting of new general mandates to the Directors:

- (a) to purchase Shares on the Stock Exchange of an aggregate nominal amount of up to 10% of the total nominal amount of the issued share capital of the Company on the date of passing of such resolution (i.e. an aggregate nominal amount of Shares up to HK\$950,000 (equivalent to 95,000,000 Shares) on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting) (the “**Buyback Mandate**”);
- (b) to allot, issue or deal with Shares of an aggregate nominal amount of up to 20% of the total nominal amount of the share capital of the Company in issue on the date of passing of such resolution (i.e. an aggregate nominal amount of Shares up to HK\$1,900,000 (equivalent to 190,000,000 Shares) on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting) (the “**Issuance Mandate**”); and
- (c) to extend the Issuance Mandate by an amount representing the aggregate nominal amount of Shares repurchased by the Company pursuant to and in accordance with the Buyback Mandate.

The Buyback Mandate and the Issuance Mandate will continue in force until the conclusion of the next annual general meeting of the Company held after the Annual General Meeting or any earlier date as referred to in the proposed ordinary resolutions contained in items 5 and 6 of the notice of the Annual General Meeting as set out on pages 26 to 29 of this circular. With reference to the Buyback Mandate and the Issuance Mandate, the Directors wish to state that they have no immediate plan to repurchase any Shares or issue any Shares pursuant thereto.

In accordance with the requirements of the Listing Rules, the Company is required to send to the Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the granting of the Buyback Mandate. The explanatory statement as required by the Listing Rules in connection with the Buyback Mandate is set out in the Appendix I to this circular.

3. PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS

Pursuant to Article 86(3) of the Current Articles of Association, the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director appointed by the Board to fill a casual vacancy shall hold office until the first general

LETTER FROM THE BOARD

meeting of the Company after his appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company after his appointment and shall then be eligible for re-election at that meeting.

According to Article 86(3) of the Current Articles of Association, all the Directors, namely Mr Lam Wai Yan, Mr Ho Kam Wah, Mr Wang Da-Shin, Jeff, Ms Zhang Cong Min, Mr Tsung Shih Kin, Samuel, Mr Tsui Yiu Wa, Alec, Mr Thaddeus Thomas Beczak and Mr Louie Ming shall retire at the Annual General Meeting. All of the above 8 retiring Directors, being eligible, will offer themselves for re-election at the same meeting. Pursuant to Rule 13.74 of the Listing Rules, a listed issuer shall disclose the details required under Rule 13.51(2) of the Listing Rules of any director(s) proposed to be re-elected or proposed new director in the notice or accompanying circular to its shareholders of the relevant general meeting, if such re-election or appointment is subject to shareholders' approval at that relevant general meeting. The requisite details of the retiring Directors are set out in Appendix III to this circular.

4. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages 26 to 29 of this circular. At the Annual General Meeting, resolutions will be proposed to approve, inter alia, the granting of the Buyback Mandate and the Issuance Mandate, the extension of the Issuance Mandate by the addition thereto of the nominal amount of Shares repurchased pursuant to the Buyback Mandate and the re-election of the retiring Directors.

A form of proxy for use at the Annual General Meeting is enclosed with this circular and such form of proxy is also published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://corp.pconline.com.cn>). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority at the Share Registrar of the Company in Hong Kong, Tricor Investor Services Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the Annual General Meeting if you so wish.

5. RECOMMENDATION

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

LETTER FROM THE BOARD

6. GENERAL INFORMATION

Your attention is drawn to the additional information set out in Appendix I (Explanatory Statement on the Buyback Mandate), Appendix II (Procedure by which the Shareholders may demand a poll at a general meeting pursuant to the Current Articles of Association) and Appendix III (Details of the retiring Directors proposed to be re-elected at the Annual General Meeting) to this circular.

Yours faithfully,
By Order of the Board
Lam Wai Yan
Chairman of the Board

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

1. REASONS FOR BUYBACK OF SHARES

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

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

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 950,000,000 Shares.

Subject to the passing of the ordinary resolution set out in item 5 of the notice of the Annual General Meeting in respect of the granting of the Buyback Mandate and on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting, i.e. being 950,000,000 Shares, the Directors would be authorized under the Buyback Mandate to repurchase, during the period in which the Buyback Mandate remains in force, an aggregate nominal amount of the Shares up to HK\$950,000 (equivalent to 95,000,000 Shares), representing 10% of the aggregate nominal amount of the Shares in issue as at the date of the Annual General Meeting.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Memorandum and Articles of Association, the laws of the Cayman Islands and any other applicable laws, as the case may be.

The Company is empowered by its Memorandum of Association and the Current Articles of Association to repurchase Shares. The laws of the Cayman Islands provide that the amount of capital paid in connection with a share repurchase by a company may be paid out of either the profits of the company or the proceeds of a fresh issue of shares made for such purpose or, subject to the articles of association of the Company and the laws of the Cayman Islands, out of capital.

4. IMPACT OF REPURCHASES

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 December 2007) in the event that the Buyback Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Buyback Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. TAKEOVERS CODE

The shareholding structure of the Company as at the Latest Practicable Date and the shareholding structure of the Company upon full exercise of the Buyback Mandate are set out below:

| | As at the Latest Practicable Date | | Immediately after the full exercise of the Buyback Mandate | |
|--------------------------------------|--------------------------------------|--|---|--|
| | Number of issued Shares held | Percentage of the total issued share capital of the Company | Number of issued Shares held (Note 5) | Percentage of the total issued share capital of the Company (Note 5) |
| Controlling Shareholders | | | | |
| <i>(Note 1):</i> | | | | |
| Mr Lam Wai Yan <i>(Note 2)</i> | 261,949,000 | 27.57% | 261,949,000 | 30.64% |
| Mr Ho Kam Wah <i>(Note 3)</i> | 86,016,000 | 9.05% | 86,016,000 | 10.06% |
| Mr Wang Ko Chiang <i>(Note 4)</i> | <u>232,187,000</u> | <u>24.44%</u> | <u>232,187,000</u> | <u>27.16%</u> |
| | 580,152,000 | 61.06% | 580,152,000 | 67.86% |
| Public Shareholders | <u>369,848,000</u> | <u>38.94%</u> | <u>274,848,000</u> | <u>32.14%</u> |
| | <u><u>950,000,000</u></u> | <u><u>100.00%</u></u> | <u><u>855,000,000</u></u> | <u><u>100.00%</u></u> |

Notes:

- (1) Mr Lam Wai Yan, Mr Ho Kam Wah and Mr Wang Ko Chiang, who in aggregate held 580,152,000 Shares, were the controlling shareholders of the Company.
- (2) Mr Lam Wai Yan was deemed to be interested in the 256,576,000 Shares which were beneficially owned by Pac Tech Investment Co. Ltd., a controlled corporation of Mr Lam. The remaining 5,373,000 Shares were jointly held by Mr Lam Wai Yan and his spouse, Ms Ma Muk Lan.
- (3) Mr Ho Kam Wah was deemed to be interested in the 86,016,000 Shares. Such Shares were beneficially owned by Treasure Field Holdings Limited, the entire issued share capital of which was owned as to 80% by Mr Ho and 20% by his spouse, Ms Yeung Yuk Chun.

- (4) Mr Wang Ko Chiang was deemed to be interested in 225,024,000 Shares which were beneficially owned by Gallop Assets Management Limited, a controlled corporation of Mr Wang. The remaining 7,163,000 Shares were owned by Mr Wang personally.
- (5) Presuming that (i) the issued share capital of the Company remained at 950,000,000 Shares immediately before the full exercise of the Buyback Mandate; and (ii) the shareholdings of the controlling shareholders as set out in the above table remained unchanged immediately before the full exercise of the Buyback Mandate. On this basis, the total issued share capital of the Company immediately after the full exercise of the Buyback Mandate would be 855,000,000 Shares.

The Directors are not aware of any consequences which will arise under the Takeovers Code as a result of any repurchases to be made under the Buyback Mandate.

6. GENERAL

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

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

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

7. MARKET PRICES OF SHARES

The highest and lowest prices per Share at which the Shares have traded on the Stock Exchange in the last 5 months since the Listing Date were as follows:

| Month | Highest <i>HK\$</i> | Lowest <i>HK\$</i> |
|--|--------------------------------|-------------------------------|
| 2007 | | |
| December | 3.66 | 2.62 |
| 2008 | | |
| January | 3.14 | 1.65 |
| February | 1.99 | 1.66 |
| March | 1.87 | 1.35 |
| April (<i>up to the Latest Practicable Date</i>) | 1.98 | 1.73 |

8. REPURCHASES OF SHARES MADE BY THE COMPANY

No repurchase of Shares has been made by the Company during the period starting from the Listing Date to the Latest Practicable Date (whether on the Stock Exchange or otherwise).

The following paragraphs set out the procedure by which the Shareholders may demand a poll at a general meeting of the Company (including the Annual General Meeting) pursuant to the Current Articles of Association.

According to Article 66 of the Current 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 by:

- (a) the chairman of such meeting; or
- (b) at least three Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorized representative or by proxy for the time being entitled to vote at the meeting; or
- (c) a Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorized 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
- (d) a Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorized representative or by proxy 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 Shares conferring that right.

In addition, in compliance with the Listing Rules, any vote of shareholders at a general meeting will be taken on a poll where:

- (i) the chairman of the general meeting and/or the directors individually or collectively hold proxies in respect of shares representing 5% or more of the total voting rights at the general meeting, and the meeting votes, on a show of hands, in the opposite manner to that instructed in those proxies unless it is apparent from the total proxies held that a vote taken on a poll will not reverse the vote taken on a show of hands;
- (ii) the meeting is to approve connected transactions;
- (iii) the meeting is to approve transactions that are subject to independent shareholders' approval pursuant to the Listing Rules;
- (iv) the meeting is to approve the granting of options to a substantial shareholder or an independent non-executive director of the issuer, or any of their respective associates, as required under the Listing Rules; or
- (v) the meeting is to approve any other transactions in which a shareholder has a material interest and is therefore required to abstain from voting at the general meeting.

Pursuant to the Listing Rules, the details of the Directors who will retire at the Annual General Meeting according to the Current Articles of Association and will be proposed to be re-elected at the same meeting are provided below.

(1) Mr Lam Wai Yan

Position and Experience

Mr Lam Wai Yan (“**Mr Lam**”), aged 56, is an executive director, the Chairman and the Chief Executive Officer of the Company and a director of certain subsidiaries of the Company. Mr Lam obtained a bachelor’s degree in Science from the University of Texas, EL PASO, in 1975. He has extensive local and overseas general management experience and has more than 10 years of experience in IT industry. He had been a vice president and director of Dean Witter Reynolds Inc. from 1979 to 1989 and a director of Credit Lyonnais Securities (Asia) Limited from 1990 to 1991. Mr Lam co-founded the Group and has played a key role in developing the businesses of the Group since 1997 and led the Group to become one of the leading specialized content portal in China.

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

Length of service

Mr Lam entered into a service agreement with the Company, pursuant to which the term of office of Mr Lam has been fixed at 3 years commencing on the Listing Date, unless and until terminated by either the Company or Mr Lam giving to the other not less than 3 months’ prior written notice. Mr Lam’s appointment is also subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Current Articles of Association.

Interests in Shares

As far as the Directors are aware, as at the Latest Practicable Date, Mr Lam had the following interests in the shares of the Company pursuant to Part XV of the SFO:

- (i) 5,373,000 Shares, representing approximately 0.56% of the issued share capital of the Company. Such Shares were held jointly by Mr Lam and his spouse, Ms Ma Muk Lan; and
- (ii) 256,576,000 Shares, representing approximately 27.01% of the issued share capital of the Company. Such Shares were beneficially owned by Pac Tech Investment Co. Ltd., a controlled corporation of Mr Lam.

Save as disclosed above, Mr Lam did not have or was not deemed to have any other interests or short positions in the shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

Relationships

Save as disclosed in the above paragraphs under the heading “Interests in Shares”, Mr Lam does not have any relationships with any other Directors, senior management, substantial Shareholders (as defined in the Listing Rules) or controlling Shareholders (as defined in the Listing Rules) of the Company.

Director’s emoluments

Pursuant to the service agreement entered into between Mr Lam and the Company, Mr Lam’s emoluments are set out below:

- (1) Mr Lam is currently entitled to receive an annual salary of HK\$5,000.
- (2) Mr Lam may be entitled to an annual management bonus of a sum to be determined by the Board in its absolute discretion provided that the aggregate sum of such bonus payable to all executive Directors in any financial year shall, unless the Board shall determine otherwise, not exceed 5% of the consolidated net profits of the Company after taxation and minority interests but before extraordinary items in that financial year.

Mr Lam is also entitled to participate in the share option scheme of the Company. The above emoluments of Mr Lam are determined by the Board with reference to his experience, time commitment and responsibilities as well as the prevailing market conditions.

Information that needs to be disclosed and matters that need to be brought to the attention of the Shareholders

There is no information which is discloseable nor is/was Mr Lam involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr Lam that need to be brought to the attention of the Shareholders.

(2) Mr Ho Kam Wah*Position and Experience*

Mr Ho Kam Wah (“**Mr Ho**”), aged 56, is an executive director of the Company and a director of certain subsidiaries of the Company. Mr Ho obtained a bachelor’s degree in Science from Illinois State University in 1976. He is principally involved in strategic planning and assisting in overall management and business development of the Group. Mr Ho co-founded the Group and has played a major role in developing the businesses of the Group since 1997 and has an extensive management experience over 10 years in the IT industry.

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

Length of service

Mr Ho entered into a service agreement with the Company, pursuant to which the term of office of Mr Ho has been fixed at 3 years commencing on the Listing Date, unless and until terminated by either the Company or Mr Ho giving to the other not less than 3 months' prior written notice. Mr Ho's appointment is also subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Current Articles of Association.

Interests in Shares

As far as the Directors are aware, as at the Latest Practicable Date, Mr Ho was deemed to be interested in 86,016,000 Shares, representing approximately 9.05% of the issued share capital of the Company. Such Shares were beneficially owned by Treasure Field Holdings Limited, the entire issued share capital of which was owned as to 80% by Mr Ho and 20% by his spouse, Ms Yeung Yuk Chun.

Save as disclosed above, Mr Ho did not have or was not deemed to have any other interests or short positions in the shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

Relationships

Save as disclosed in the above paragraphs under the heading "Interests in Shares", Mr Ho does not have any relationships with any other Directors, senior management, substantial Shareholders (as defined in the Listing Rules) or controlling Shareholders (as defined in the Listing Rules) of the Company.

Director's emoluments

Pursuant to the service agreement entered into between Mr Ho and the Company, Mr Ho's emoluments are set out below:

- (1) Mr Ho is currently entitled to receive an annual salary of HK\$5,000.
- (2) Mr Ho may be entitled to an annual management bonus of a sum to be determined by the Board in its absolute discretion provided that the aggregate sum of such bonus payable to all executive Directors in any financial year shall, unless the Board shall determine otherwise, not exceed 5% of the consolidated net profits of the Company after taxation and minority interests but before extraordinary items in that financial year.

Mr Ho is also entitled to participate in the share option scheme of the Company. The above emoluments of Mr Ho are determined by the Board with reference to his experience, time commitment and responsibilities as well as the prevailing market conditions.

Information that needs to be disclosed and matters that need to be brought to the attention of the Shareholders

There is no information which is discloseable nor is/was Mr Ho involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr Ho that need to be brought to the attention of the Shareholders.

(3) Mr Wang Da-Shin, Jeff

Position and Experience

Mr Wang Da-Shin, Jeff (“**Mr Wang**”), aged 34, is an executive director and the Chief Financial Officer of the Company and a director of certain subsidiaries of the Company. He joined the Group in 2005. Mr Wang obtained a bachelor’s degree in Science from the University of California, Berkeley in 1998 and a master’s degree in Business Administration from Columbia University in 2004. Mr Wang is responsible for financing and accounting management of the Group since 2005. He is currently a supervisor to the board of directors of United Microelectronics Corporation, which is listed on the New York Stock Exchange and on the Taiwan Stock Exchange.

Save as disclosed above, Mr Wang has not held any other directorships in listed public companies in the last three years.

Length of service

Mr Wang entered into a service agreement with the Company, pursuant to which the term of office of Mr Wang has been fixed at 3 years commencing on the Listing Date, unless and until terminated by either the Company or Mr Wang giving to the other not less than 3 months’ prior written notice. Mr Wang’s appointment is also subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Current Articles of Association.

Interests in Shares

As far as the Directors are aware, as at the Latest Practicable Date, Mr Wang was not interested or deemed to be interested in any shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

Relationships

Mr Wang is the son of Mr Wang Ko Chiang, a substantial shareholder of the Company. Save as disclosed above, Mr Wang does not have any relationships with any other Directors, senior management, substantial Shareholders (as defined in the Listing Rules) or controlling Shareholders (as defined in the Listing Rules) of the Company.

Director's emoluments

Pursuant to the service agreement entered into between Mr Wang and the Company, Mr Wang's emoluments are set out below:

- (1) Mr Wang is currently entitled to receive an annual salary of HK\$400,000.
- (2) Mr Wang may be entitled to an annual management bonus of a sum to be determined by the Board in its absolute discretion provided that the aggregate sum of such bonus payable to all executive Directors in any financial year shall, unless the Board shall determine otherwise, not exceed 5% of the consolidated net profits of the Company after taxation and minority interests but before extraordinary items in that financial year.

Mr Wang is also entitled to participate in the share option scheme of the Company. The above emoluments of Mr Wang are determined by the Board with reference to his experience, time commitment and responsibilities as well as the prevailing market conditions.

Information that needs to be disclosed and matters that need to be brought to the attention of the Shareholders

There is no information which is discloseable nor is/was Mr Wang involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr Wang that need to be brought to the attention of the Shareholders.

(4) Ms Zhang Cong Min*Position and Experience*

Ms Zhang Cong Min ("**Ms Zhang**"), aged 40, is an executive director and the Chief Operating Officer of the Company. Ms Zhang obtained a bachelor's degree in Chemical Analysis from the University of Science and Technology of China (中國科學技術大學) in 1991. She is also a standing member of the Political Consultation Committee of Tianhe District, Guangzhou (中國廣州天河區政治協商會議委員會) since September 2006. Ms Zhang joined the Group in January 2003. Before Ms Zhang joined the Group, she worked as a marketing manager and assistant general manager of

Guangdong Pacific Electronic Technology Mall Co., Ltd. (廣東太平洋電子科技廣場有限公司). Ms Zhang has over 10 years of experience in operation management and the IT industry. She has held various management positions in the Group.

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

Length of service

Ms Zhang entered into a service agreement with the Company, pursuant to which the term of office of Ms Zhang has been fixed at 3 years commencing on the Listing Date, unless and until terminated by either the Company or Ms Zhang giving to the other not less than 3 months' prior written notice. Ms Zhang's appointment is also subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Current Articles of Association.

Interests in Shares

As far as the Directors are aware, as at the Latest Practicable Date, Ms Zhang had the following interests in the shares/underlying shares of the Company and its associated corporation pursuant to Part XV of the SFO:

- (1) 2,280,000 shares of GZ Yingxin Computer Technology Exchange Co., Ltd. (an associated corporation of the Company), representing 40% of its issued share capital; and
- (2) 15,876,000 share options of the Company attaching thereto the rights to subscribe for 15,876,000 Shares.

Save as disclosed above, Ms Zhang did not have or was not deemed to have any other interests or short positions in the shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

Relationships

As far as the Directors are aware, Ms Zhang does not have any relationships with any other Directors, senior management, substantial Shareholders (as defined in the Listing Rules) or controlling Shareholders (as defined in the Listing Rules) of the Company.

Director's emoluments

Pursuant to the service agreement entered into between Ms Zhang and the Company, Ms Zhang's emoluments are set out below:

- (1) Ms Zhang is currently entitled to receive an annual salary of RMB866,000.
- (2) Ms Zhang may be entitled to an annual management bonus of a sum to be determined by the Board in its absolute discretion provided that the aggregate sum of such bonus payable to all executive Directors in any financial year shall, unless the Board shall determine otherwise, not exceed 5% of the consolidated net profits of the Company after taxation and minority interests but before extraordinary items in that financial year.

Ms Zhang is also entitled to participate in the share option scheme of the Company. The above emoluments of Ms Zhang are determined by the Board with reference to her experience, time commitment and responsibilities as well as the prevailing market conditions.

Information that needs to be disclosed and matters that need to be brought to the attention of the Shareholders

There is no information which is discloseable nor is/was Ms Zhang involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Ms Zhang that need to be brought to the attention of the Shareholders.

(5) Mr Tsung Shih Kin, Samuel*Position and Experience*

Mr Tsung Shih Kin, Samuel (“**Mr Tsung**”), aged 57, is an executive director and the Chief Technical Officer of the Company and a director of certain subsidiaries of the Company. He joined the Group in 2003. Mr Tsung obtained a bachelor's degree in Electrical Engineering from the University of Texas, Austin, in 1975. He has over 30 years of progressive IT industry experience in Canada, Hong Kong and China. Mr Tsung is in charge of commercial application of information technology and development of Internet and e-commerce capabilities. Prior to joining the Group, Mr Tsung held several key senior management positions in the IT service industry. He had worked in Canada for 18 years and served as a manager of application development for the Ministry of Agriculture & Food in Ontario, Canada until 1996.

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

Length of service

Mr Tsung entered into a service agreement with the Company, pursuant to which the term of office of Mr Tsung has been fixed at 3 years commencing on the Listing Date, unless and until terminated by either the Company or Mr Tsung giving to the other not less than 3 months' prior written notice. Mr Tsung's appointment is also subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Current Articles of Association.

Interests in Shares

As far as the Directors are aware, as at the Latest Practicable Date, Mr Tsung was interested in 3,013,000 share options of the Company attaching thereto the rights to subscribe for 3,013,000 Shares. Save as disclosed above, Mr Tsung did not have or was not deemed to have any other interests or short positions in the shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

Relationships

As far as the Directors are aware, Mr Tsung does not have any relationships with any other Directors, senior management, substantial Shareholders (as defined in the Listing Rules) or controlling Shareholders (as defined in the Listing Rules) of the Company.

Director's emoluments

Pursuant to the service agreement entered into between Mr Tsung and the Company, Mr Tsung's emoluments are set out below:

- (1) Mr Tsung is currently entitled to receive an annual salary of HK\$1,062,000.
- (2) Mr Tsung may be entitled to an annual management bonus of a sum to be determined by the Board in its absolute discretion provided that the aggregate sum of such bonus payable to all executive Directors in any financial year shall, unless the Board shall determine otherwise, not exceed 5% of the consolidated net profits of the Company after taxation and minority interests but before extraordinary items in that financial year.

Mr Tsung is also entitled to participate in the share option scheme of the Company. The above emoluments of Mr Tsung are determined by the Board with reference to his experience, time commitment and responsibilities as well as the prevailing market conditions.

Information that needs to be disclosed and matters that need to be brought to the attention of the Shareholders

There is no information which is discloseable nor is/was Mr Tsung involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr Tsung that need to be brought to the attention of the Shareholders.

(6) Mr Tsui Yiu Wa, Alec

Position and Experience

Mr Tsui Yiu Wa, Alec (“**Mr Tsui**”), aged 58, is an independent non-executive director and the chairman of both the audit committee and remuneration committee of the Company. He joined the Group in November 2007. Mr Tsui obtained a bachelor’s degree in Science (Industrial Engineering) and a master’s degree in Engineering (Industrial Engineering) from the University of Tennessee, Knoxville in 1975 and 1976, respectively. He attended the Programme for Senior Managers in Government at the John F. Kennedy School of Government, Harvard University in 1993. He has been a member of the Hong Kong Securities Institute since 1998.

Mr Tsui has extensive experience over 10 years in finance and administration, corporate and strategic planning, information technology and human resources management, having served at various international companies. He held key positions at the Securities and Futures Commission of Hong Kong prior to joining the Hong Kong Stock Exchange in 1994 as an executive director of the finance and operations services division and becoming the chief executive in 1997. He was also the chairman of the Hong Kong Securities Institute from 2001 to 2004. He was an adviser and a council member of the Shenzhen Stock Exchange from July 2001 to June 2002. In addition, Mr Tsui is currently an independent non-executive director of the following listed companies:

Name of listed companies

Industrial and Commercial Bank of China (Asia) Limited
Vertex Group Limited
China Chengtong Development Group Limited
COSCO International Holdings Limited
China Power International Development Limited
Synergis Holdings Limited
China BlueChemical Ltd.
Greentown China Holdings Limited
China Huiyuan Juice Group Limited
Melco PBL Entertainment (Macau) Limited
ATA Inc.

The above listed companies operate their businesses in different fields, including banking services, technology media and telecommunication, investment holdings, shipping, trading, construction & operation of power plant, property management services, nitrogenous fertilizer producers, property development, and developing and operating gaming casinos and entertainment resort facilities.

During the last three years, Mr Tsui was an independent non-executive director of Citic 21CN Company Limited, Stockmartnet Holdings Ltd. (now known as “International Financial Network Holdings Ltd.”) and Fortis Asia Holdings Limited. Save as disclosed above, Mr Tsui has not held any other directorships in listed public companies in the last three years.

Length of service

Pursuant to the letter of appointment issued by the Company to Mr Tsui, the term of office of Mr Tsui has been fixed at 3 years commencing on 23 November 2007. Mr Tsui’s appointment is also subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Current Articles of Association.

Interests in Shares

As far as the Directors are aware, as at the Latest Practicable Date, Mr Tsui was not interested or deemed to be interested in any shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

Relationships

As far as the Directors are aware, Mr Tsui does not have any relationships with any other Directors, senior management, substantial Shareholders (as defined in the Listing Rules) or controlling Shareholders (as defined in the Listing Rules) of the Company.

Director’s emoluments

Mr Tsui is entitled to receive a director’s fee of HK\$300,000 per annum, which is determined by the Board with reference to his experience, time commitment and responsibilities as well as the prevailing market conditions. Mr Tsui is also entitled to participate in the share option scheme of the Company. However, Mr Tsui is not eligible to participate in any bonus schemes or other benefits of the kind available to executive Directors.

Information that needs to be disclosed and matters that need to be brought to the attention of the Shareholders

There is no information which is discloseable nor is/was Mr Tsui involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr Tsui that need to be brought to the attention of the Shareholders.

(7) Mr Thaddeus Thomas Beczak

Position and Experience

Mr Thaddeus Thomas Beczak (“**Mr Beczak**”), aged 57, is an independent non-executive director and a member of both the audit committee and remuneration committee of the Company. He joined the Group in November 2007. Mr Beczak graduated from Georgetown University (B.S.F.S.) and Columbia University (M.B.A). He is a member of the board of advisers of the School of Foreign Services at Georgetown University. Mr Beczak is currently the chairman of Latitude Capital Group. He is also involved as a non-executive director of a number of non-listed companies and an independent non-executive director of the following listed companies:

Name of listed companies

Arnhold Holdings Limited

Phoenix Satellite Television Holdings Limited

Advanced Semiconductor Manufacturing Corporation Limited

Nam Tai Electronic & Electrical Products Limited

From June 2004 until March 2008, Mr Beczak was the Senior Advisor at Nomura International (Hong Kong) Limited and was also the chairman of Nomura Asia Holdings N.V. from April 2006 until March 2008. From November 1997 until December 2002, Mr Beczak was the chairman of the Listing Committee of the Hong Kong Stock Exchange and a member of Board of Directors of the Hong Kong Stock Exchange from 1998 until 2001. He was a member of the Advisory Committee of the Securities and Futures Commission in Hong Kong from 2001 until 2007 and was also a member of the Advisory Committee of the China Securities Regulatory Commission. From September 1997 until December 2003, Mr Beczak was a director of Kerry Holdings Limited. During this time he also held various board and operating positions within the group, including deputy chairman of SCMP Group Limited and publisher of South China Morning Post Publishers Limited, deputy chairman of Shangri-La Asia Limited, deputy chairman of Kuok Philippines Properties, a director of China World Trade Center Limited and a director of Kerry Properties Limited. Prior to joining the Kerry Group, Mr Beczak was the managing director of J.P. Morgan Inc., and president of J.P. Morgan Securities Asia from 1990 until 1997. While at J.P. Morgan, Hong Kong, he was a director of the Bank of the Philippine Islands and a committee member of the Hong Kong Association of Banks. Mr Beczak has over 20 years of experience in Asia.

Save as disclosed above, Mr Beczak has not held any other directorships in listed public companies in the last three years.

Length of service

Pursuant to the letter of appointment issued by the company to Mr Beczak, the term of office of Mr Beczak has been fixed at 3 years commencing on 23 November 2007. Mr Beczak's appointment is also subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Current Articles of Association.

Interests in Shares

As far as the Directors are aware, as at the Latest Practicable Date, Mr Beczak was not interested or deemed to be interested in any shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

Relationships

As far as the Directors are aware, Mr Beczak does not have any relationships with any other Directors, senior management, substantial Shareholders (as defined in the Listing Rules) or controlling Shareholders (as defined in the Listing Rules) of the Company.

Director's emoluments

Mr Beczak is entitled to receive a director's fee of HK\$300,000 per annum, which is determined by the Board with reference to his experience, time commitment and responsibilities as well as the prevailing market conditions. Mr Beczak is also entitled to participate in the share option scheme of the Company. However, Mr Beczak is not eligible to participate in any bonus schemes or other benefits of the kind available to executive Directors.

Information that needs to be disclosed and matters that need to be brought to the attention of the Shareholders

There is no information which is discloseable nor is/was Mr Beczak involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr Beczak that need to be brought to the attention of the Shareholders.

(8) Mr Louie Ming

Position and Experience

Mr Louie Ming ("**Mr Louie**"), aged 61, is an independent non-executive director and a member of both the audit committee and remuneration committee of the Company. He joined the Group in November 2007. Mr Louie graduated from

Polytechnic University of New York (BSEE) and obtained a master's degree from Princeton University and a master's degree in Business Administration from Drexel University. He has been the managing director of Dynasty Capital Services LLC (Consulting) since January 2002 and is currently a director of Mindspeed Technologies Inc., a world leader in communications integrated circuits listed on NASDAQ. He co-founded and has served as the managing director of Mobile Radius, Inc., since March 2002. From October 2003 to May 2005, Mr Louie served as the China president of GSM Association, whose members include more than 650 wireless communication operators (including Vodafone, China Mobile, NTT DoCoMo and T-mobile) and more than 200 manufacturers (such as Nokia, Siemens, Ericsson, Microsoft and Intel). As president, Mr Louie reported to a global board of directors representing, among others, Hutchison Whampoa Group, T-Mobile and SingTel Mobile. During his presidency, Mr Louie established the strategic alliance between previously conflicting standards involving WCDMA/GSM and TD-SCDMA, successfully coordinating the interests of the Asian, European and U.S. members. Mr Louie also served as Qualcomm's president of greater China (world's largest mobile communications market) from May 2000 to October 2001 and as vice president, business development of Globalstar Communications Limited from January 1989 to May 2000.

Save as disclosed above, Mr Louie has not held any other directorships in listed public companies in the last three years.

Length of service

Pursuant to the letter of appointment issued by the company to Mr Louie, the term of office of Mr Louie has been fixed at 3 years commencing on 23 November 2007. Mr Louie's appointment is also subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Current Articles of Association.

Interests in Shares

As far as the Directors are aware, as at the Latest Practicable Date, Mr Louie was not interested or deemed to be interested in any shares or underlying shares of the Company or its associated corporations pursuant to Part XV of the SFO.

Relationships

As far as the Directors are aware, Mr Louie does not have any relationships with any other Directors, senior management, substantial Shareholders (as defined in the Listing Rules) or controlling Shareholders (as defined in the Listing Rules) of the Company.

Director's emoluments

Mr Louie is entitled to receive a director's fee of HK\$300,000 per annum, which is determined by the Board with reference to his experience, time commitment and responsibilities as well as the prevailing market conditions. Mr Louie is also entitled to participate in the share option scheme of the Company. However, Mr Louie is not eligible to participate in any bonus schemes or other benefits of the kind available to executive Directors.

Information that needs to be disclosed and matters that need to be brought to the attention of the Shareholders

There is no information which is discloseable nor is/was Mr Louie involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr Louie that need to be brought to the attention of the Shareholders.

NOTICE OF THE ANNUAL GENERAL MEETING



(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 543)

NOTICE IS HEREBY GIVEN that an Annual General Meeting of Pacific Online Limited (the “**Company**”) will be held at Vinson Room, Pacific Place Conference Centre, Level 5, One Pacific Place, 88 Queensway, Hong Kong on Monday, 19 May 2008 at 10:00 a.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements of the Company and the reports of the Directors and Auditors for the year ended 31 December 2007;
2. To declare a final dividend of RMB7.47 cents per share for the year ended 31 December 2007;
3. To re-elect the retiring Directors and to authorize the Board of Directors to fix the respective Directors’ remuneration;
4. To re-appoint Auditors and to authorize the Board of Directors to fix their remuneration;
5. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT:**

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

NOTICE OF THE ANNUAL GENERAL MEETING

- (ii) the revocation or variation of the authority given under this resolution by ordinary resolution passed by the Company's shareholders in general meeting; and
 - (iii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable laws to be held.”;
6. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with authorized and unissued shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorize the Directors to make or grant offers, agreements and options during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as defined below);
 - (ii) the exercise of options under a share option scheme of the Company; and
 - (iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Articles of Association of the Company,

shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company on the date of the passing of this resolution and the said approval shall be limited accordingly; and

NOTICE OF THE ANNUAL GENERAL MEETING

(d) for the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the revocation or variation of the authority given under this resolution by ordinary resolution passed by the Company’s shareholders in general meeting; and
- (iii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable laws to be held;

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

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

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

By order of the Board
Lam Wai Yan
Chairman of the Board

Hong Kong, 21 April 2008

NOTICE OF THE ANNUAL GENERAL MEETING

Notes:

1. Any Member of the Company entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a Member of the Company. A Member who is the holder of two or more shares of the Company may appoint more than one proxy to represent him to attend and vote on his behalf. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. To be effective, a form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, must be deposited at the Share Registrar of the Company in Hong Kong, Tricor Investor Services Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a Member of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
3. The register of members of the Company will be closed from Thursday, 15 May 2008 to Monday, 19 May 2008, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for the entitlement to the proposed final dividend for the year ended 31 December 2007 and for attending and voting at the above meeting, unregistered holders of shares of the Company should ensure that all transfers of shares accompanied by the relevant share certificates and appropriate transfer forms must be lodged with the Share Registrar of the Company in Hong Kong, Tricor Investor Services Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 14 May 2008.
4. In relation to the ordinary resolutions set out in items 5, 6 and 7 of the above notice, the Directors wish to state that they have no immediate plan to issue any new shares or repurchase any existing shares of the Company.