

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, bank manager, solicitor, professional accountant or other professional adviser.

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

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

This circular, for which the directors of the Company (the "Directors") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this circular is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this circular misleading; and (3) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.



CHINAINFO HOLDINGS LIMITED

神州資訊控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8206)

- (1) PROPOSED GENERAL MANDATES TO ISSUE AND TO REPURCHASE SHARES;**
- (2) PROPOSED RE-ELECTION OF DIRECTORS;**
- (3) PROPOSED AMENDMENTS TO COMPANY'S ARTICLES OF ASSOCIATION;**
- (4) PROPOSED AMENDMENT TO THE SHARE OPTION SCHEME;**
- (5) PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT; AND**
- (6) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting of the Company to be held at the Meeting Room, Units 2115-2116, 21/F, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong on Friday, 28 July 2006 at 4:30 p.m. is set out on pages 18 to 26 of this circular.

Whether or not you are able to attend the Annual General Meeting, you are advised to read the notice and to complete and return the enclosed form of proxy, in accordance with the instructions printed thereon, to the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 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 adjourned meeting (as the case may be). The completion and return of the form of proxy will not preclude you from attending, and voting at the Annual General Meeting or any adjourned meeting (as the case may be) in person if you so wish.

This circular will remain at www.hkgem.com on the "Latest company announcements" page of the GEM website for at least 7 days from the date of its posting and on the website of the Group at www.hk6.com.

CHARACTERISTIC OF GEM

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

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DEFINITIONS

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

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| “AGM” | the annual general meeting of the Company for the financial year ended 31 March 2006 to be held at the Meeting Room, Units 2115-2116, 21/F, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong on Friday, 28 July 2006 at 4:30 p.m. |
| “Articles” or “Articles of Association” | the articles of association of the Company |
| “Board” | the board of the Directors |
| “CG Code” | the Code on Corporate Governance Practices contained in Appendix 15 of the GEM Listing Rules |
| “Company” | Chinainfo Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on GEM |
| “Director(s)” | the director(s) of the Company |
| “GEM” | the Growth Enterprise Market of the Stock Exchange |
| “GEM Listing Committee” | the listing sub-committee of the board of directors of the Stock Exchange with responsibility for GEM |
| “GEM Listing Rules” | the Rules Governing the Listing of Securities on GEM |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Latest Practicable Date” | 20 June 2006, being the latest practicable date prior to the bulk print of this circular for ascertaining certain information contained herein |
| “PRC” | the People’s Republic of China |
| “Scheme Mandate Limit” | the maximum number of Shares which may be allotted and issued upon the exercise of all options which initially shall not in aggregate exceed 10% of the Shares in issue as at the date of adoption of the Share Option Scheme and thereafter, if refreshed shall not exceed 10% of the Shares in issue as at the date of approval of the refreshed limit by the Shareholders |

DEFINITIONS

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|-----------------------|--|
| “Share Option Scheme” | the share option scheme of the Company conditionally approved and adopted by the Company on 28 October 2002 and became unconditional upon the listing of the Shares on GEM on 15 November 2002 |
| “Share(s)” | share(s) of HK\$0.01 each in the issued share capital of the Company |
| “Shareholder(s)” | holder(s) of Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Takeovers Code” | Hong Kong Code on Takeovers and Mergers |
| “HK\$” | Hong Kong dollar(s), the lawful currency of Hong Kong |
| “%” | per cent. |



CHINAINFO HOLDINGS LIMITED

神州資訊控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8206)

Executive Directors:

Mr. He Chenguang (*Chairman*)
Mr. Xiao Haiping
Ms. Chan Tan Lui, Danielle
Mr. Zhang Peng (*Managing Director*)
Mr. Choo Kwok How
Ms. Zhang Jialin

Independent non-executive Directors:

Mr. Yip Tai Him
Ms. Guo Qi
Mr. Chiu Kwok Ching

Registered Office:

P.O. Box 309GT, Uglan House
South Church Street
Grand Cayman
Cayman Islands

*Head office and principal place
of business in Hong Kong:*

Units 2115-2116
21/F China Merchants Tower
Shun Tak Centre
168-200 Connaught Road Central
Hong Kong

23 June 2006

To the Shareholders

Dear Sir or Madam,

- (1) PROPOSED GENERAL MANDATES TO ISSUE
AND TO REPURCHASE SHARES;**
(2) PROPOSED RE-ELECTION OF DIRECTORS;
(3) PROPOSED AMENDMENTS TO COMPANY'S ARTICLES OF ASSOCIATION;
(4) PROPOSED AMENDMENT TO THE SHARE OPTION SCHEME;
(5) PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT; AND
(6) NOTICE OF ANNUAL GENERAL MEETING

The purpose of this circular is to provide you with information regarding the resolutions to be proposed at the AGM. These include:

- a. the ordinary resolutions to grant general mandates to the Directors to issue and to repurchase Shares;
- b. the ordinary resolutions to elect Directors who are due to retire and offer for re-elections at the AGM;

* For identification purpose only

LETTER FROM THE BOARD

- c. the special resolution to amend the Articles of Association;
- d. the ordinary resolution to amend the Share Option Scheme; and
- e. the ordinary resolution to approve the refreshment of the Scheme Mandate Limit.

This circular contains further information relating to the resolutions proposed so as to enable you to make an informed decision on whether to vote for or against the resolutions proposed. A notice for convening the AGM is also set out in this circular and a form of proxy is included for your further action.

1. GENERAL MANDATES TO ISSUE AND TO REPURCHASE SHARES

At the annual general meeting of the Company held on 4 August 2005, an ordinary resolution was passed by the Shareholders granting the general unconditional mandates to the Directors to issue and to repurchase Shares. Such mandates were refreshed at an extraordinary general meeting of the Company held on 24 April 2006. These refreshed general mandates will lapse at (i) the conclusion of the AGM; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws of the Cayman Islands to be held; or (iii) when revoked or varied by an ordinary resolution of the Shareholders in general meeting, whichever occurs first. Resolutions will therefore be proposed at the AGM to renew the grant of these general mandates.

An ordinary resolution will be proposed at the AGM in relation to the granting of a general unconditional mandate to the Directors to issue new shares in the Company, not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the resolution (as adjusted in accordance with the resolution), for the period until (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws of the Cayman Islands to be held; or (iii) when revoked or varied by an ordinary resolution of the Shareholders in general meeting, whichever occurs first (the “**Issue Mandate**”).

An ordinary resolution will be proposed at the AGM in relation to the granting of a general unconditional mandate to the Directors to exercise all powers of the Company to repurchase Shares on GEM up to 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the resolution, for the period until (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws of the Cayman Islands to be held; or (iii) when revoked or varied by an ordinary resolution of the Shareholders in general meeting, whichever occurs first (the “**Repurchase Mandate**”). An explanatory statement required under Rule 13.08 of the GEM Listing Rules to provide the Shareholders with all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the ordinary resolution to approve the Repurchase Mandate is set out in Appendix I to this circular.

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An ordinary resolution will be proposed at the AGM in relation to the extension of the general unconditional mandate to be granted to the Directors to issue new shares in the Company under the Issue Mandate by adding to it the number of shares of the Company repurchased under the Repurchase Mandate, if any. The Directors and the Company have no present intention to fully exercise the Issue Mandate or the Repurchase Mandate for issuing and repurchasing the Shares respectively.

The full text of these resolutions are set out as ordinary resolutions numbers 4A to 4C in the notice of AGM on pages 18 to 26 of this circular.

2. PROPOSED RE-ELECTION OF DIRECTORS

In accordance with Article 95 of the Articles of Association, Mr. He Chenguang, Mr. Xiao Haiping and Mr. Zhang Peng, being Directors appointed by the Board to fill a casual vacancy or as an addition to the Board, shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at that meeting. Accordingly, they shall retire at the forthcoming AGM and, being eligible, they offer themselves for re-election at the AGM.

In accordance with Article 112 of the Articles of Association, one-third of the Directors shall retire from office by rotation. Accordingly, Mr. Choo Kwok How and Ms. Guo Qi shall retire at the AGM and, being eligible, offer themselves for re-election at the AGM.

Details of the above Directors who offer themselves for re-election at the AGM are set out in Appendix II to this circular.

3. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The GEM Listing Rules have been amended by the Stock Exchange by inserting an Appendix 15 of Code on Corporate Governance Practices (the “CG Code”) and adding an Appendix 16 on the requirements for a Corporate Governance Report to be included in annual reports of listed issuers with effect from 1 January 2005.

The Directors therefore propose to put forward to the Shareholders for approval of a special resolution to amend the Articles of Association at the AGM. The amendments are made to bring the current Articles of Association in line with, including but not limited to, (i) paragraph A.4.2 of the CG Code which requires that every Director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years and all Directors appointed to fill a casual vacancy should be subject to election by the Shareholders at the first general meeting after their appointment; and (ii) paragraph E.2.1 of the CG Code which provides, among other things, that if the aggregate proxies held by the chairman of a particular general meeting and/or the Directors account for 5% or more of the total voting rights at the meeting, and if on a show of hands in respect of any resolution, the meeting votes in the opposite manner to that instructed in those proxies, the chairman of the general meeting and/or any Director holding proxies as aforesaid shall demand a poll, unless it is apparent from the total proxies held by those persons that a vote taken on a poll will not reverse the vote taken on a show of hands.

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Further amendments have been made to the GEM Listing Rules with effect from 1 March 2006 requiring, among other matters, that the Articles of Association shall provide that the Company in general meeting shall have power by ordinary resolution to remove any director before the expiration of his period of office.

The proposed amendments to the Articles of Association are stated in the proposed special resolution number 5 in the notice convening the AGM as set out on pages 18 to 26 of this circular.

4. AMENDMENT TO THE SHARE OPTION SCHEME

The Share Option Scheme was conditionally approved and adopted by the Company on 28 October 2002 and became unconditional upon the listing of the Shares on GEM on 15 November 2002. Under the Share Option Scheme, the Company may grant to any full-time employees, executives or officers, directors of the Group and any suppliers, independent contractors, consultants, agents and/or advisers who will contribute or have contributed to the Group (the “**Eligible Participant**”).

The Board proposes to make amendments to the Share Option Scheme by extending the definition of the Eligible Participant in the Share Option Scheme to allow any substantial shareholders (as defined under the GEM Listing Rules), part-time employees, non-executive directors (including independent non-executive directors) of the Group or any entity in which any member of the Group holds any equity interest.

The Board believes that the proposed amendments would enhance the ability of the Group in attracting and retaining high calibre part-time employees for the development of the Group’s business and providing comparable incentives to part-time employees as provided for the full-time employees, taking into account that there has been a general trend in the employment market, especially in the computer and information technology industry in which the Group operates, that more people are willing or prefer to take up part-time instead of full-time employment.

The proposed amendments are also in line with the common practice of other companies listed in Hong Kong and are permissible under the GEM Listing Rules. Pursuant to the Share Option Scheme and the GEM Listing Rules, such proposed amendments are subject to the approval of the Shareholders. An ordinary resolution will be proposed at the AGM to approve the proposed amendments to the Share Option Scheme and is set out as ordinary resolution number 6 in the notice of AGM on pages 18 to 26 of this circular.

Copies of the Share Option Scheme and the draft Share Option Scheme incorporating the proposed amendments are available for inspection at the principal place of business of the Company at Units 2115-2116, 21/F, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong between 10:00 a.m. to 4:00 p.m. on any business day from the date of this circular up to and including the date of the AGM.

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5. REFRESHMENT OF THE SCHEME MANDATE LIMIT

Under the GEM Listing Rules, the maximum number of Shares which may be allotted and issued upon the exercise of all options which initially shall not in aggregate exceed 10% of the Shares in issue as at the date of adoption of the Share Option Scheme and thereafter, if refreshed shall not exceed 10% of the Shares in issue as at the date of approval of the refreshed limit by the Shareholders.

The limit of the Share Option Scheme was refreshed by a resolution of the Shareholders at the annual general meeting of the Company held on 30 July 2004 (the “**Current Limit**”) pursuant to which the Directors were allowed to grant further options under the Share Option Scheme carrying the right to subscribe for a maximum of 40,000,000 Shares, being 10% of the Shares in issue as at the date of the aforesaid resolution.

As at the Latest Practicable Date, 16,000,000 options carrying rights to subscribe for a total of 16,000,000 Shares were granted under the Current Limit and in accordance with the terms of the Share Option Scheme, representing about 40% of the Current Limit and about 2.6% of the Shares in issue as at the Latest Practicable Date. The Board proposes to further refresh the Scheme Mandate Limit in order to enable the Company to grant further options to eligible participants so as to provide opportunities and incentives to them to work towards enhancing the values of the Company and Shares for the benefit of the Company and the Shareholders as a whole.

As at the Latest Practicable Date, there were 625,686,761 Shares in issue. Pursuant to the terms of the Share Option Scheme and in compliance with the GEM Listing Rules, the maximum number of Shares which may be issued upon the exercise of all the options to be granted under the Share Option Scheme under the Scheme Mandate Limit as refreshed should be 62,568,676 Shares, being 10% of the Shares in issue and assuming no further issue or repurchase of Shares. Options previously granted under the Share Option Scheme, including without limitation those outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme will not be counted for the purpose of calculating the Scheme Mandate Limit as refreshed.

Pursuant to the GEM Listing Rules, the Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme at any time should not exceed 30% of the Shares in issue from time to time. No options shall be granted under any scheme of the Company or any of its subsidiaries if this will result in the 30% limit being exceeded.

As at Latest Practicable Date, options to subscribe for a total of 28,000,000 Shares were still outstanding under the Share Option Scheme which represents approximately 4.5% of the issued ordinary shares of the Company.

The proposed refreshment of the Scheme Mandate Limit is conditional upon:

- (1) the passing of an ordinary resolution by the Shareholders to approve the proposed refreshment; and

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- (2) the GEM Listing Committee granting the listing of, and permission to deal in the Shares to be issued pursuant to the exercise of the options granted under the refreshed Scheme Mandate Limit.

Application will be made to the GEM Listing Committee for the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of options granted under the refreshed Scheme Mandate Limit.

An ordinary resolution will be proposed at the AGM to approve the proposed amendments to the Scheme Mandate Limit and is set out as ordinary resolution number 7 in the notice of AGM on pages 18 to 26 of this circular.

6. ANNUAL GENERAL MEETING

A notice convening the AGM to be held at the Meeting Room, Units 2115-2116, 21/F, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong on Friday, 28 July 2006 at 4:30 p.m. is set out on pages 18 to 26 of this circular.

PROCEDURES BY WHICH SHAREHOLDERS MAY DEMAND A POLL AT THE AGM

Pursuant to Article 76 of the Articles of Association, a resolution put to vote of a 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 duly demand or otherwise required under the GEM Listing Rules. A poll may be demanded by:

- (i) the chairman of the meeting; or
- (ii) at least five Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy and entitled to vote; or
- (iii) any Shareholder or Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy and representing in the aggregate not less than one-tenth of the total voting rights of all Shareholders having the right to attend and vote at the meeting; or
- (iv) any Shareholder or Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy and holding Shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all Shares conferring that right.

LETTER FROM THE BOARD

PROXY ARRANGEMENT

A form of proxy for use at the AGM is enclosed with this circular. To be valid, the form of proxy must be completed in accordance with the instructions printed thereon and returned, together with the power of attorney or other authority (if any) under which it is signed (or a copy which has duly been certified) to the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 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 AGM or any adjourned meeting (as the case may be). The completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM if you so wish.

RECOMMENDATION

The Directors consider that the proposed resolutions set out in the notice of AGM are all in the best interests of the Company and the Shareholders as a whole and therefore recommend you to vote in favour of all of these resolutions to be proposed at the AGM.

Yours faithfully,
For and on behalf of the Board
Chinainfo Holdings Limited
He Chenguang
Chairman

This appendix serves as an explanatory statement, as required by the GEM Listing Rules, to provide requisite information to you for your consideration of the Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the number of ordinary shares of HK\$0.01 each in the Shares in issue was 625,686,761 Shares.

Subject to the passing of resolution no. 4B as set out in the notice of AGM set out in this circular (the “**Resolution**”) approving the Repurchase Mandate and on the basis that no Shares will be issued or repurchased after the Latest Practicable Date and up to the date of passing the Resolution, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 62,568,676 Shares (representing 10% of the issued share capital of the Company) during the period from the date of passing the resolution no. 4B as set out in the notice of AGM up to (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws of the Cayman Islands to be held; or (iii) the revocation or variation of the Repurchase Mandate by ordinary resolution of the Shareholders in general meeting, whichever occurs first.

2. REASONS FOR REPURCHASE

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

3. FUNDING OF REPURCHASES

Repurchases pursuant to the Repurchase Mandate would be financed entirely from the Company’s available cash flow or working capital facilities. Any repurchases will only be funded out of funds of the Company legally available for the purposes in accordance with its memorandum of association and articles of association and the laws of the Cayman Islands. Shares may only be repurchased out of the profits of the Company or out of the proceeds of a fresh issue of shares made for the purposes of repurchase. The premium, if any, payable on repurchases must have been provided for out of the profits of the Company or out of the Company’s share premium account before or at the time the Shares are repurchased. The Company may not purchase Shares on GEM for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

4. GENERAL

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 Company's audited financial statements contained in the Annual Report for the year ended 31 March 2006) in the event that the Repurchase Mandate were to be exercised in full during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such an 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. DISCLOSURE OF INTERESTS

None of the Directors nor, to the best of their knowledge and belief, have made all reasonable enquiries, any of their respective associates (as defined in the GEM Listing Rules), have any present intention, if the Repurchase Mandate were to be exercised, to sell any Shares to the Company or its subsidiaries.

No connected persons (as defined in the GEM Listing Rules) of the Company has notified the Company that he/she has a present intention to sell Shares to the Company, or has undertaken not to sell any Shares to the Company, in the event that the Repurchase Mandate is exercised.

6. DIRECTORS' UNDERTAKING

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 GEM Listing Rules and the applicable laws of the Cayman Islands.

7. SHARE PRICES

The highest and lowest prices at which the Shares were traded on GEM during each of the previous twelve months before the Latest Practicable Date were as follows:

| | Price per Share | |
|---|-----------------|----------------|
| | Highest HK\$ | Lowest HK\$ |
| 2005 | | |
| June | 0.380 | 0.205 |
| July | 0.380 | 0.315 |
| August | 0.375 | 0.310 |
| September | 0.350 | 0.300 |
| October | 0.300 | 0.240 |
| November | 0.300 | 0.215 |
| December | 0.290 | 0.237 |
| 2006 | | |
| January | 0.265 | 0.240 |
| February | 0.620 | 0.300 |
| March | 1.000 | 0.570 |
| April | 1.730 | 0.990 |
| May | 1.800 | 1.560 |
| From 1 June 2006 to the Latest Practicable Date | 1.620 | 1.510 |

8. CONSEQUENCES UNDER THE TAKEOVERS CODE

If the Repurchase Mandate were exercised in full, the shareholding percentage of the substantial shareholders (as defined under the GEM Listing Rules) of the Company (based on the number of Shares they held as at the Latest Practicable Date) before and after such repurchase would be as follows:

| Substantial Shareholders | Number of Shares held | Approximate percentage of existing shareholding | Approximate percentage of shareholding if the Repurchase Mandate is fully exercised |
|---|--------------------------|--|--|
| Mr. Fu Shing Ki | 97,001,144 | 15.50% | 17.23% |
| China Communication Investment Ltd. (Note 1) | 85,542,000 | 13.67% | 15.19% |
| Ms. Chan Tan Lui, Danielle (Note 2) | 75,219,195 | 12.02% | 13.36% |
| Superhero Limited (Note 2) | 74,979,195 | 11.98% | 13.32% |
| Ms. Chan Wong Kam Fung, Cecilia | 71,265,798 | 11.39% | 12.66% |

Note:

1. China Communication Investment Ltd. is a wholly-owned subsidiary of China Communication Co. Ltd..
2. Superhero Limited is a company wholly-owned by Ms. Chan Tan Lui, Danielle. By virtue of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, Ms. Chan Tan Lui, Danielle is deemed to have interest of 74,979,195 Shares held by Superhero Limited in addition to 240,000 Shares held by herself.

If as a result of a repurchase of Shares, 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 the Takeover Code. As a result, a Shareholder, or a group of Shareholders acting in concert, depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeover Code.

As at the Latest Practicable Date, Mr. Fu Shing Ki, who is the largest Shareholder, is interested in approximately 15.50% of the existing issued share capital of the Company. In the event the Directors exercise the Repurchase Mandate in full, the interest of Mr. Fu Shing Ki in the issued ordinary share capital of the Company would be increased to approximately 17.23%. China Communication Investment Ltd. is interested in approximately 13.67% of the existing issued share capital of the Company. In the event the Directors exercise the Repurchase Mandate in full, the interest of China Communication Investment Ltd. in the issued ordinary share capital of the Company would be increased to approximately 15.19%. Ms. Chan Tan Lui, Danielle is interested in approximately 12.02% of the existing issued share capital of the Company. In the event the Directors exercise the Repurchase Mandate in full, the interest of Ms. Chan Tan Lui, Danielle in the issued ordinary share capital of the Company would be increased to approximately 13.36%. Superhero Limited is interested in approximately 11.98% of the existing issued share capital of the Company. In the event the Directors exercise the Repurchase Mandate in full, the interest of Superhero Limited in the issued ordinary share capital of the Company would be increased to approximately 13.32%. Ms. Chan Wong Kam Fung, Cecilia is interested in approximately 11.39% of the existing issued share capital of the Company. In the event the Directors exercise the Repurchase Mandate in full, the interest of Ms. Chan Wong Kam Fung, Cecilia in the issued ordinary share capital of the Company would be increased to approximately 12.66%. To the best of the knowledge and belief of the Directors, such increase would not give rise to an obligation to make a mandatory offer under the Takeovers Code.

Save for the aforesaid, the Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases under the Repurchase Mandate. The Company will not repurchase Shares to the extent which would result in the percentage of the Shares held by the public Shareholders being reduced to less than 25% of the issued share capital of the Company.

9. SHARE PURCHASE MADE BY THE COMPANY

No purchase of Shares has been made by the Company (whether on GEM or otherwise) in the six months immediately preceding the Latest Practicable Date.

The following are the particulars of the Directors (as required by the GEM Listing Rules) proposed to be re-elected at the AGM:"

1. **Mr. He Chenguang**, aged 45, holds a professional qualification of business administration and has extensive experience in management of major enterprises, in particular, management, operation and strategic development of telecommunication industry in the PRC. Mr. He will be responsible for formulating the group's strategy of overall business development. Mr. He has entered into a service contract for three years with the Company. His employment under the service contract shall be continuous until 27 April 2009 subject to termination by either party to the contract serving written notice to the other to terminate such employment to take effect three months from the date of service of such notice. The amount of director's emoluments specified in his service contract with the Company is HK\$960,000 per year subject to annual review and a double pay which equals to one-twelfth of annual remuneration, as may from time to time to be determined by the Board with reference to the Company's performance. In addition, Mr. He entitled to a discretionary bonus payable of such amount as the Board may determine provided that the total amount of bonus payable to all executive directors of the Company for any financial year of the Company shall not exceed 10% of the consolidated net profit of the group (after taxation and minority interests but before extraordinary items) as shown in its corresponding consolidated audited accounts for such year. The director's emoluments are determined by reference to the Company's performance, the remuneration benchmark in the industry and the prevailing market conditions. Mr. He did not hold any directorship in any listed public company in the last three years. China Communication Co. Ltd. ("CCC") is a substantial shareholder of the Company through its wholly owned subsidiary China Communication Investment Limited holding 85,542,000 shares of the Company. Save as to Mr. He being the chairman of the board of CCC, Mr. He does not have any relationship with any directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company. Mr. He has no interest in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). The director's emoluments are determined by reference to the Company's performance, the remuneration benchmark in the industry and the prevailing market conditions. There is no information relating to Mr. He that is required to be disclosed pursuant to Rules 17.50(2)(h) to (v) of the GEM Listing Rules. Save as disclosed herein, there are no other matters that needs to be brought to the attention of the Shareholders and the Stock Exchange.

2. **Mr. Xiao Haiping**, aged 54, joined the Group in January 2006. He is responsible for the Group's overall business development in China. Mr. Xiao holds a professional tertiary qualification from Hunan Normal University, China, majoring in Chinese language. Mr. Xiao has entered into a service contract for three years with the Company. His employment under the service contract shall be continuous until 16 January 2009 subject to termination by either party to the contract serving written notice to the other to terminate such employment to take effect three months from the date of service of such notice. The amount of director's emoluments specified in his service contract with the Company is HK\$960,000 per year subject to annual review and a double pay which equals to one-twelfth of annual remuneration, as may from time to time to be determined by the Board with reference to the Company's performance. In addition, Mr. Xiao entitled to a discretionary bonus payable of such amount as the Board may determine provided that the total amount of bonus payable to all executive directors of the Company for any financial year of the Company shall not exceed 10% of the consolidated net profit of the group (after taxation and minority interests but before extraordinary items) as shown in its corresponding consolidated audited accounts for such year. The director's emoluments are determined by reference to the Company's performance, the remuneration benchmark in the industry and the prevailing market conditions. Mr. Xiao did not hold any directorship in any listed public company in the last three years. Mr. Xiao does not have any relationship with any directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company. Mr. Xiao has a personal interest of 2,000,000 underlying shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). The director's emoluments are determined by reference to the Company's performance, the remuneration benchmark in the industry and the prevailing market conditions. There is no information relating to Mr. Xiao that is required to be disclosed pursuant to Rules 17.50(2)(h) to (v) of the GEM Listing Rules. Save as disclosed herein, there are no other matters that needs to be brought to the attention of the Shareholders and the Stock Exchange.
3. **Mr. Zhang Peng**, aged 42, joined the Group in June 2006. He is responsible for the daily operation of the Group and forming and implementation of Company's business strategies. Mr. Zhang holds a Master of Business Administration from Graduate School of Management of Rutgers, the State University of New Jersey. Mr. Zhang has entered into a service contract for three years with the Company. His employment under the service contract shall be continuous until 15 June 2009 subject to termination by either party to the contract serving written notice to the other to terminate such employment to take effect three months from the date of service of such notice. The amount of director's emoluments specified in his service contract with the Company is HK\$960,000 per year subject to annual review and a double pay which

equals to one-twelfth of annual remuneration, as may from time to time to be determined by the Board with reference to the Company's performance. In addition, Mr. Zhang entitled to a discretionary bonus payable of such amount as the Board may determine provided that the total amount of bonus payable to all executive directors of the Company for any financial year of the Company shall not exceed 10% of the consolidated net profit of the group (after taxation and minority interests but before extraordinary items) as shown in its corresponding consolidated audited accounts for such year. The director's emoluments are determined by reference to the Company's performance, the remuneration benchmark in the industry and the prevailing market conditions. Mr. Zhang did not hold any directorship in any listed public company in the last three years. Mr. Zhang does not have any relationship with any directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company. Mr. Zhang has no interest in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). The director's emoluments are determined by reference to the Company's performance, the remuneration benchmark in the industry and the prevailing market conditions. There is no information relating to Mr. Zhang that is required to be disclosed pursuant to Rules 17.50(2)(h) to (v) of the GEM Listing Rules. Save as disclosed herein, there are no other matters that needs to be brought to the attention of the Shareholders and the Stock Exchange.

4. **Mr. Choo Kwok How**, aged 37, joined the Group in May 2000. He is responsible for the management of the IT Department and Content Department's daily operations and implementation of strategies for the operations. Mr. Choo holds a degree of Bachelor of Arts in Economics and Social Studies from The University of Manchester and a degree of Master of Science in Finance from the University of Leicester. Mr. Choo has entered into a service contract for three years with the Company. His employment under the service contract shall be continuous subject to termination by either party to the contract serving written notice to the other to terminate such employment to take effect three months from the date of service of such notice. The amount of director's emoluments specified in his service contract with the Company is HK\$372,000 per year subject to annual review and a double pay which equals to one-twelfth of annual remuneration, as may from time to time to be determined by the Board with reference to the Company's performance. In addition, Mr. Choo entitled to a discretionary bonus payable of such amount as the Board may determine provided that the total amount of bonus payable to all executive directors of the Company for any financial year of the Company shall not exceed 10% of the consolidated net profit of the group (after taxation and minority interests but before extraordinary items) as shown in its corresponding consolidated audited accounts for such year. The director's emoluments are determined by reference to the Company's performance, the remuneration benchmark in the industry and the prevailing market conditions. Mr. Choo

did not hold any directorship in any listed public company in the last three years. Mr. Choo does not have any relationship with any directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company. Mr. Choo has a personal interest of 1,000,000 underlying shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). The director's emoluments are determined by reference to the Company's performance, the remuneration benchmark in the industry and the prevailing market conditions. There is no information relating to Mr. Choo that is required to be disclosed pursuant to Rules 17.50(2)(h) to (v) of the GEM Listing Rules. Save as disclosed herein, there are no other matters that needs to be brought to the attention of the Shareholders and the Stock Exchange.

5. **Ms. Guo Qi**, aged 32, joined the Group in October 2002. She is one of the audit committee and remuneration committee member of the Company. She is responsible for reviewing the Company's annual report and accounts, half yearly reports and quarterly reports and to provide advices and comments thereon to the Board. There is no service contract entered into between Ms. Guo and the Company. Ms. Guo's appointment is for one year and can be terminated by one month's prior notice in writing served by either party. Ms. Guo does not have any relationship with any directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company. Ms. Guo has a personal interest of 400,000 underlying shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). The director's emoluments are determined by reference to the Company's performance, the remuneration benchmark in the industry and the prevailing market conditions. Other than the aforesaid, there are no other matters that should be brought to the attention of the shareholders. There is no information relating to Ms. Guo that is required to be disclosed pursuant to Rules 17.50(2)(h) to (v) of the GEM Listing Rules. Save as disclosed herein, there are no other matters that needs to be brought to the attention of the Shareholders and the Stock Exchange.

NOTICE OF ANNUAL GENERAL MEETING



CHINAINFO HOLDINGS LIMITED

神州資訊控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8206)

NOTICE IS HEREBY GIVEN that an annual general meeting (the “AGM”) of Chinainfo Holdings Limited (the “Company”) will be held at the Meeting Room, Units 2115-2116, 21/F, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong, on Friday, 28 July 2006 at 4:30 p.m. for the following purposes:

AS ORDINARY RESOLUTIONS

1. to receive, consider and adopt the audited financial statements and the reports of the directors of the Company (the “Directors”) and the auditors of the Company for the year ended 31 March 2006;
2.
 - (a) to re-elect Mr. He Chenguang as executive Director;
 - (b) to re-elect Mr. Xiao Haiping as executive Director;
 - (c) to re-elect Mr. Zhang Peng as executive Director;
 - (d) to re-elect Mr. Choo Kwok How as executive Director;
 - (e) to re-elect Ms. Guo Qi as independent non-executive Director; and
 - (f) to authorise the board of Directors (the “Board”) to fix their remuneration;
3. to re-appoint Baker Tilly Hong Kong Limited, as the auditors of the Company and to authorize the Board to fix their remuneration;
4. as ordinary business, to consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:
 - A. “THAT:–
 - (a) subject to paragraph (c), 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 additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby general and unconditionally approved;

* For identification purpose only

NOTICE OF ANNUAL GENERAL MEETING

- (b) the approval in paragraph (a) shall authorize the directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a), otherwise then pursuant to (i) a Rights Issue (as defined below) or (ii) the exercise of the subscription rights under the share option scheme of the Company or (iii) an issue of shares as scrip dividends pursuant to the memorandum and articles of association of the Company from time to time shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of this resolution and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:-

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within the next annual general meeting of the Company is required by the memorandum and articles of association of the Company or any applicable law of the Cayman Islands to be held; and
- (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion 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 law of, or the requirements of any recognized regulatory body or any stock exchange in any territory applicable to the Company).”

NOTICE OF ANNUAL GENERAL MEETING

B. "THAT:-

- (a) the exercise by the Directors during the Relevant Period of all powers of the Company to purchase its own shares, subject to and in accordance with all applicable laws, be and is hereby general and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of this resolution and the said approval be limited accordingly; and
- (c) 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 expiration of the period within the next annual general meeting of the Company is required by the memorandum and articles of association of the Company or any applicable law of the Cayman Islands to be held; and
- (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting."

- C. "THAT conditional upon resolution no. 4B above being passed, the aggregate nominal amount of the number of shares in the capital of the Company which are repurchased by the Company under the authority granted to the Directors as mentioned in resolution no. 4B above shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to resolution no. 4A above."

NOTICE OF ANNUAL GENERAL MEETING

AS SPECIAL RESOLUTION

5. as special business, to consider and, if thought fit, pass with or without amendments, the following resolution as a special resolution:

“**THAT** the Articles of Association of the Company be and are hereby amended in the following manner:

- (a) Article 76

By deleting the word “or” at the end of Article 76(c) and the full stop at the end of Article 76(d) and replacing it with a semi-colon and inserting the word “or” after the semi-colon.

Then by inserting the following new Article 76(e):

“76. (e) if required by the Listing Rules, by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five per cent. (5%) or more of the total voting rights at such meeting.”

- (b) Article 95

By deleting the existing Article 95 in its entirety and substituting therefor the following new Article 95:

“Board may fill vacancies/appoint additional Directors 95. The Directors shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at that meeting provided that any Director who so retires shall not be taken into account in determining the number of Directors who are to retire at such meeting by rotation pursuant to Article 112.”

NOTICE OF ANNUAL GENERAL MEETING

(c) Article 102

By deleting the existing Article 102 (vii) in its entirety and substituting therefor the following new Article 102 (vii):

“102. (vii) if he shall be removed from office by an ordinary resolution of the members of the Company under Article 118(a).”

(d) Article 112

By deleting the existing Article 112 in its entirety and substituting therefor the following new Article 112:

**“Rotation and
retirement of
Directors**

112. At each annual general meeting, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to, but not less than one-third, shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree between themselves) be determined by lot. A retiring Director shall retain office until the close of the meeting at which he retires, and shall be eligible for re-election thereat.”

NOTICE OF ANNUAL GENERAL MEETING

(e) Article 115

By deleting the existing Article 115 in its entirety and substituting therefor the following new Article 115:

“Power of general meeting to increase or reduce the number of Directors 115. The Company may from time to time in general meeting by ordinary resolution increase or reduce the number of Directors but so that the number of Directors shall not be less than two. Subject to the provisions of these Articles and the Law, the Company may by ordinary resolution elect any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election, but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting.”

(f) Article 118

By deleting the existing Article 118 (a) in its entirety and substituting therefor the following new Article 118 (a):

“Power to remove Director by ordinary resolution 118. (a) The Company may by ordinary resolution at any time remove any Director (including a Managing Director or other executive Director) before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director and may by ordinary resolution elect another person in his stead. Any person so elected shall hold office during such time only as the Director in whose place he is elected would have held the same if he had not been removed.”

NOTICE OF ANNUAL GENERAL MEETING

AS ORDINARY RESOLUTIONS

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

“THAT the share option scheme (the **“Share Option Scheme”**) adopted by a resolution of the sole shareholder of the Company on 28 October 2002 and became unconditional upon the listing of the Shares on GEM on 15 November 2002 be and is hereby amended by deleting the definition of **“Eligible Participant”** in paragraph 1.1 in its entirety and substituting therefor the following new definition of **“Eligible Participant”**:

“Eligible Participant” means:

- (1) any substantial shareholders;
- (2) any full-time or part-time employees;
- (3) any executives or officers;
- (4) any directors (including non-executive and independent non-executive directors); or
- (5) any suppliers, independent contractors, consultants, agents or advisers;

of the Company or any of the Subsidiaries or any entity in which the Company or any of the Subsidiaries holds any equity interest who will contribute or have contributed to the Company or any of the Subsidiaries;”

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

“THAT subject to and conditional upon the granting by the Listing Committee of the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the approval of the listing of and permission to deal in the shares of HK\$0.01 each of the Company (the **“Shares”**) to be issued pursuant to the exercise of option granted under the refreshed scheme mandate limit (the **“Scheme Mandate Limit”**) under the Share Option Scheme in the manner as set out in paragraph (a) of this resolution below:

- (a) the refreshment of the Scheme Mandate Limit of up to 10% of the Shares in issue as at the date of passing of this resolution be and is hereby approved; and

NOTICE OF ANNUAL GENERAL MEETING

- (b) the Directors be and are hereby authorised to do all such acts and things and execute all such documents, including under seal where applicable, as they consider necessary or expedient to give effect to the foregoing arrangement.”

By Order of the Board
Chinainfo Holdings Limited
He Chenguang
Chairman

Hong Kong, 23 June 2006

Head Office and Principal Place of Business:

Units 2115-2116
21/F, China Merchants Tower
Shun Tak Centre
168-200 Connaught Road Central
Hong Kong

Registered Office:

P.O. Box 309GT, Uglan House
South Church Street
Grand Cayman
Cayman Islands

Notes:-

1. Any member entitled to attend and vote at the AGM shall be entitled to appoint another person as his proxy to attend and, subject to the provisions of the Articles of Association, vote in his stead. A member who is the holder of two or more shares may appoint more than one proxy to represent him to vote on his behalf at the above meeting. A proxy need not be a member of the Company.
2. In order to be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and returned, together with the power of attorney or other authority (if any) under which it is signed (or a copy which has duly been certified) to the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 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 above meeting or any adjourned meeting (as the case may be).
3. The Register of Members of the Company will be closed from 26 July 2006 to 28 July 2006, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for attending the forthcoming AGM, all transfer accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited, Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:00 p.m. 25 July 2006.
4. Delivery of a form of proxy shall not preclude a member from attending and voting in person at the meeting and in such event, the form of proxy shall be deemed to be revoked.

NOTICE OF ANNUAL GENERAL MEETING

5. In relation to proposed resolution no. 2 above, Mr. He Chenguang, Mr. Xiao Haiping, Mr. Zhang Peng, Mr. Choo Kwok How and Ms. Guo Qi will retire by rotation and, being eligible, offer themselves for re-election at the AGM pursuant to the Articles of Association. Further details of them are set out in Appendix II to the circular sent to the shareholders of the Company together with the Annual Report for the year ended 31 March 2006.
6. In relation to proposed resolutions nos. 4A and 4C above, approval is being sought from the shareholders of the Company for the grant to the Directors of a general mandate to authorise the allotment and issue of Shares under the GEM Listing Rules. The Directors have no immediate plans to issue new Shares other than the Shares which may fall to be issued under the existing share option scheme of the Company or any scrip dividend scheme or similar arrangement providing for the allotment and issue of Shares in lieu of whole or part of a dividend which may be approved by shareholders of the Company.
7. In relation to proposed resolution no. 4B above, the Directors wish to state that they will exercise the powers conferred thereby to repurchase Shares in circumstances which they deem appropriate for the benefit of the shareholders of the Company. An explanatory statement containing the information necessary to enable the shareholders of the Company to make an informed decision to vote on the proposed resolution as required by the GEM Listing Rules is set out in Appendix I to the circular sent to the shareholders of the Company together with the Annual Report for the year ended 31 March 2006.