

**If you are in 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 Haitian International Holdings Limited, you should at once hand this circular, together with the accompanying form of proxy to the purchaser or the transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**HAITIAN INTERNATIONAL HOLDINGS LIMITED**

**海天國際控股有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(stock code: 1882)**

**PROPOSED GRANT OF GENERAL MANDATES  
TO ISSUE AND REPURCHASE SHARES,  
RE-ELECTION OF DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of Haitian International Holdings Limited to be held at Salon 1–3 (level 3), JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong at 2:30 p.m. on Friday, 8 June 2007 is set out on pages 13 to 17 of this circular.

Whether or not you are able to attend the meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Rooms 1806–8, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting or any adjournment thereof should you so wish.

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## DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at Salon 1–3 (level 3), JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong at 2: 30 p.m. on Friday, 8 June 2007 or any adjournment thereof
“Articles”	the articles of association of the Company adopted pursuant to written resolutions passed by the sole Shareholder on 5 December 2006
“Associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Haitian International Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Stock Exchange
“Companies Law”	the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Connected Person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors to the effect that the aggregate nominal value of the Shares which may be allotted and issued under the Issue Mandate may be extended by an addition of an amount representing the aggregate nominal value of Shares repurchased under the Repurchase Mandate
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to allot, issue and deal with new Shares with an aggregate nominal value not exceeding 20% of the aggregate nominal value of the share capital of the Company in issue as at the date of passing the relevant resolution at the Annual General Meeting

## DEFINITIONS

“Latest Practicable Date”	23 April 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Notice”	the notice convening the Annual General Meeting as set out on pages 13 to 17 of this circular
“PRC”	the People’s Republic of China
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to repurchase the Shares on the Stock Exchange with an aggregate nominal value not exceeding 10% of the aggregate nominal value of the share capital of the Company in issue as at the date of passing the relevant resolution at the Annual General Meeting
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Sky Treasure”	Sky Treasure Capital Limited
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	percent.



**HAITIAN INTERNATIONAL HOLDINGS LIMITED**

**海天國際控股有限公司**

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*Executive Directors:*

Mr. Zhang Jingzhang (*Chairman*)  
Mr. Zhang Jianming (*Chief Executive Officer*)  
Mr. Zhang Jianguo  
Mr. Zhang Jianfeng  
Mr. Guo Mingguang  
Ms. Chen Ningning

*Non-executive Director:*

Mr. Hu Guiqing

*Independent non-executive Directors:*

Mr. Pan Chaoyang  
Mr. Gao Xunxian  
Mr. Dai Xiangbo

*Registered office:*

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

*Principal place of business in*

*Hong Kong:*

Unit D, 12th Floor  
Seabright Plaza  
9–23 Shell Street  
North Point  
Hong Kong

28 April 2007

*To the Shareholders,*

Dear Sir/Madam,

**PROPOSED GRANT OF GENERAL MANDATES  
TO ISSUE AND REPURCHASE SHARES,  
RE-ELECTION OF DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The primary purpose of this circular is to provide you with information regarding the proposed grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate (collectively the “**Mandates**”), the re-election of Directors and to seek your approval of the resolutions to these matters at the Annual General Meeting. The corresponding Mandates as resolved by the then sole shareholder of the Company on 5 December 2006, details of which have been set out in the prospectus of the Company dated 11 December 2006, will expire at the Annual General Meeting.

# LETTER FROM THE BOARD

## ISSUE MANDATE

At the Annual General Meeting, an ordinary resolution will be proposed to grant to the Directors a general and unconditional mandate to exercise the power of the Company to allot, issue and deal with new Shares with an aggregate nominal value not exceeding 20% of the aggregate nominal value of the share capital of the Company in issue as at the date of passing of the relevant resolution. As at the Latest Practicable Date, a total of 1,596,000,000 Shares were in issue. Subject to the passing of the proposed resolution granting the Issue Mandate to the Directors and on the basis that no Shares will be issued or repurchased by the Company prior to the Annual General Meeting, the Company will be allowed under the Issue Mandate to issue a maximum of 319,200,000 Shares.

## REPURCHASE MANDATE AND EXTENSION MANDATE

At the Annual General Meeting, an ordinary resolution will also be proposed to grant to the Directors a general and unconditional mandate to exercise all powers of the Company to repurchase, on the Stock Exchange, or on any other stock exchange on which the Shares may be listed, Shares with an aggregate nominal value not exceeding 10% of the aggregate nominal value of the share capital of the Company in issue as at the date of passing of the relevant resolution. In addition, an ordinary resolution will also be proposed at the Annual General Meeting to extend the Issue Mandate by an addition of an amount representing the aggregate nominal value of Shares repurchased under the Repurchase Mandate.

The Repurchase Mandate and the Issue Mandate would expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company; or (b) the expiration of the period within which the Company is required by the Companies Law or the Articles to hold its next annual general meeting; or (c) when revoked or varied by ordinary resolution(s) of the Shareholders in a general meeting prior to the next annual general meeting of the Company.

Under the Listing Rules, the Company is required to give to its Shareholders all information which is reasonably necessary to enable Shareholders to make an informed decision as to whether to vote for or against the resolution in respect of the Repurchase Mandate at the Annual General Meeting. An explanatory statement for such purpose is set out in Appendix I to this circular.

## THE ANNUAL GENERAL MEETING

The notice of the Annual General Meeting is set out on pages 13 to 17 of this circular.

The annual report (the “**Annual Report**”) incorporating the audited consolidated financial statements of the Group for the year ended 31 December 2006 and the Directors’ and auditors’ report thereon are dispatched to the Shareholders together with this circular.

A form of proxy for use at the Annual General Meeting is enclosed with this circular. Whether or not you are able to attend the Annual General Meeting in person, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not later than 48 hours before the time for the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish.

# LETTER FROM THE BOARD

## RE-ELECTION OF DIRECTORS

According to Article 87(1) of the Articles, 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 (including those appointed for a specific term) shall be subject to retirement at least once every three years.

As such, Mr. Zhang Jianguo, Mr. Zhang Jianfeng, Mr. Guo Mingguang and Mr. Pan Chaoyang will retire, being eligible, offer themselves for re-election. Particulars of each of them are set out in Appendix II to this circular.

## PROCEDURE FOR DEMANDING A POLL

Pursuant to Article 66 of the Articles, a resolution put to the 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 demanded:

- (i) by the chairman of the meeting; or
- (ii) by 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
- (iii) by any Shareholder or Shareholders present in person (or, in the case of a member 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 the Shareholders having the right to vote at the meeting; or
- (iv) by a Shareholder or Shareholders present in person (or, in the case of a member being a corporation, by its duly authorized representative) or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right; or
- (v) if required by the rules of the Stock Exchange, by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing 5% or more of the total voting rights at such meeting.

## RECOMMENDATION

The Directors believe that the proposed grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate and the re-election of Directors named above are beneficial to the Company and the Shareholders as a whole.

Accordingly, the Directors recommend that Shareholders vote in favour of the ordinary resolutions for approving the grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate and the re-election of the retiring Directors at the Annual General Meeting.

## LETTER FROM THE BOARD

### CLOSURE OF REGISTER OF MEMBERS

The transfer books and register of members will be closed from 6 June 2007 to 8 June 2007, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for attending the Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 pm on 5 June 2007.

Yours faithfully,

For and on behalf of the Board of

**HAITIAN INTERNATIONAL HOLDINGS LIMITED**

**Zhang Jingzhang**

*Chairman*

This Appendix I serves as an explanatory statement, as required by the Listing Rules, to provide requisite information as to the proposed Repurchase Mandate.

## **1. LISTING RULES RELATING TO THE REPURCHASE OF SHARES**

The Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their shares on the Stock Exchange and any other stock exchange on which the securities of the company are listed and such exchange is recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange subject to certain restrictions. Among such restrictions, the Listing Rules provide that the shares of such company must be fully paid up and all repurchase of shares by such company must be approved in advance by an ordinary resolution of shareholders, either by way of a general repurchase mandate or by specific approval of a particular transaction.

## **2. SHARE CAPITAL**

As at the Latest Practicable Date, there were a total of 1,596,000,000 Shares in issue.

Subject to the passing of the proposed resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 159,600,000 Shares, which represents 10% of the entire issued share capital of the Company as at the Latest Practicable Date.

## **3. REASONS FOR THE REPURCHASE**

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to seek a general authority from the Shareholders to enable the Company to repurchase the Shares on the Stock Exchange or any other stock exchange on which the Shares may be listed. Share repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such repurchase will benefit the Company and the Shareholders as a whole.

## **4. FUNDING OF REPURCHASES**

In repurchasing the Company's securities, the Company may only apply funds legally available for the purpose in accordance with the Articles and the Companies Law.

Taking into account the current working capital position of the Company, the Directors consider that, if the Repurchase Mandate was to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of the Company, as compared to its audited accounts of the previous year. However, the Directors do not intend to make any repurchases to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing position of the Company.

## 5. SHARE PRICES

The Shares have been traded on the Stock Exchange since 22 December 2006 and the highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the following months immediately preceding the Latest Practicable Date are as follows:

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
22 to 29 December 2006	4.2	3.29
January 2007	4.45	3.43
February 2007	4.99	4.05
March 2007	4.9	4.22
2 to 23 April 2007	5.54	4.45

## 6. THE TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING

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

As at the Latest Practicable Date, to the best knowledge of the Directors, the controlling shareholders (as defined in the Listing Rules) of the Company, namely Mr. Zhang Jingzhang, Mr. Zhang Jianming, Mr. Hu Guiqing, Mr. Zhang Jianguo, Mr. Zhang Jinglai, Mr. Zhang Jianfeng, Mr. Qian Yaoen, Ms. Chen Ningning, Mr. Guo Mingguang, Mr. Liu Jianbo, Mr. Chen Weiqun, Mr. Yu Wenxian, Mr. Bei Haibo, Mr. Shui Caiyi, Mr. Hu Baohua, Premier Capital Management Ltd. and Cambridge Management Consultants Ltd. (the "**Controlling Shareholders**"), who together, through their wholly-owned investment holding company, Sky Treasure, indirectly hold 75% of the issued share capital of the Company.

In the event that the Directors should exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the Repurchase Mandate, the indirect shareholding of the Controlling Shareholders in the Company would increase to approximately 83.3% of the issued share capital of the Company. Such increase will not give rise to an obligation to make a mandatory offer under Rule 26 or Rule 32 of the Takeovers Code.

The Directors will not exercise the Repurchase Mandate to such an extent that will result in the number of Shares in the hands of public falling below the prescribed minimum percentage of 25%.

## 7. SHARE REPURCHASE MADE BY THE COMPANY

The Company had not purchased any of its Shares (whether on the Stock Exchange or otherwise) during the period from 22 December 2006 to the Latest Practicable Date.

**8. GENERAL**

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their Associates has any present intention to sell any Shares to the Company if the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that they will only exercise the power of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Articles, the Listing Rules and the applicable laws of the Cayman Islands.

No Connected Person of the Company has notified the Company that he has a present intention to sell any Shares to the Company nor has any such connected person undertaken not to sell any Shares held by him to the Company in the event that the Repurchase Mandate is granted.

The biographical details of the Directors eligible for re-election at the Annual General Meeting are set out below:

**Mr. Zhang Jianguo (張建國)**, aged 51, is an executive Director and the senior vice president of research and development of the Group. Mr. Zhang joined the Group in January 1974 and has more than 32 years of experience in the plastic processing machinery industry. He obtained a diploma in electrical and mechanical engineering from Zhejiang Radio & TV University (浙江省廣播電視大學) in 1987. Mr. Zhang joined the Group in January 1974 initially working in the quality control division. He was subsequently promoted to the head of quality control in 1996. He has been appointed as the senior vice president of research and development of the Group since 1999. He has helped the Group in developing and improving its products including the HTFX series, the HTFW series and the HTK series. He was named as an outstanding technological worker in a township enterprise at provincial level (省級鄉鎮企業優秀科技工作者) in 1990 and twice named as a professional technician with outstanding contributions to the Ningbo region (區級有突出貢獻專業人員) by the People's Government of Ningbo Beilun district in 1990 and 1997. In 1999, Mr. Zhang was awarded by the Ningbo Municipal People's Government the titles of outstanding professional technician of Ningbo (寧波市優秀專業技術人員) and pioneer in technological innovations in Ningbo (寧波市首屆科技創新功臣). He was also named an excellent labour model of Ningbo (寧波市特等勞動模範) in April 2000. In 2001, Mr. Zhang obtained a "Great Achievement in the World Technology" award (世界科學技術發展成就獎) from the Hong Kong International EXPO Organising Committee for Patented Technology.

Mr. Zhang has entered into a service contract with the Company for an initial term of three years commencing from 22 December 2006 and thereafter may be terminated by either party upon a three-month prior written notice. Under the service contract, Mr. Zhang's emoluments recorded in 2006 was approximately RMB463,000, including contribution to pension scheme, with reference to his experience and qualification.

Mr. Zhang does not hold any office of directorships in other listed public companies in the last three years other than that of the Company.

As at the Latest Practicable Date, Mr. Zhang has an indirect interest in 62,483,400 Shares through his interests in Sky Treasure. Save as aforementioned, Mr. Zhang has no interest in the Company within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Zhang is not related to any Directors, senior management, substantial or controlling Shareholders of the Company.

**Mr. Zhang Jianfeng (張劍峰)**, aged 37, is an executive Director and the senior vice president of sales and marketing of the Group. Mr. Zhang joined the Group in October 1985 and has more than 20 years of experience in the plastic processing machinery industry. He was promoted to the deputy head of the Group's sales division in the sales and marketing department in 1997. He has been appointed as the senior vice president of sales and marketing of the Group since 2002. Mr. Zhang is the youngest son of Mr. Zhang Jingzhang, the Chairman of the Company.

Mr. Zhang has entered into a service contract with the Company for an initial term of three years commencing from 22 December 2006 and thereafter may be terminated by either party upon a three-month prior written notice. Under the service contract, Mr. Zhang's emoluments recorded in 2006 was approximately RMB515,000, including contribution to pension scheme, with reference to his experience and qualification.

Mr. Zhang does not hold any office of directorships in other listed public companies in the last three years other than that of the Company.

As at the Latest Practicable Date, Mr. Zhang has an indirect interest in 58,653,000 Shares through his interests in Sky Treasure. Save as aforementioned, Mr. Zhang has no interest in the Company within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Zhang is not related to any Directors, senior management, substantial or controlling Shareholders of the Company.

**Mr. Guo Mingguang (郭明光)**, aged 41, is an executive Director and the vice president of manufacturing of the Group. Mr. Guo joined the Group in January 1983 and has more than 20 years of experience in the plastic processing machinery industry. In 1985, he was transferred to the Group's customer services department, and was transferred again in 1989 to the Group's engineering department. From 1994 to 1999, he served as the deputy general manager of Ningbo Zongtian Plastic Processing Machinery Manufacturing Co., Ltd. From 1999 to 2002, he served as the general manager of a factory of the Group. In 2003, he was appointed as the deputy head of production of the Group and was promoted to the vice president of production of the Group in 2004. Mr. Guo is a son-in-law of Mr. Zhang Jingzhang, the Chairman of the Company.

Mr. Guo has entered into a service contract with the Company for an initial term of three years commencing from 22 December 2006 and thereafter may be terminated by either party upon a three-month prior written notice. Under the service contract, Mr. Guo's emoluments recorded in 2006 was approximately RMB433,000, including contribution to pension scheme, with reference to his experience and qualification.

Mr. Guo does not hold any office of directorships in other listed public companies in the last three years other than that of the Company.

As at the Latest Practicable Date, Mr. Guo has an indirect interest in 19,717,966 Shares through his beneficiary interests under the Haitian Employee Fixed Equity Trust (please refer to the prospectus of the Company dated 11 December 2006 for details of this trust). Save as aforementioned, Mr. Guo has no interest in the Company within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Guo is not related to any Directors, senior management, substantial or controlling Shareholders of the Company.

**Mr. Pan Chaoyang (潘朝陽)**, aged 61, joined the Group in August 2006 as an independent non-executive Director. Mr. Pan has over 10 years of experience in the machinery industry. Between 1968 and 1980, Mr. Pan was employed with the Ningbo Machining Factory (寧波機床廠) and held various positions in the factory during that period. From 1980 to 1994, Mr. Pan held various governmental positions in the city of Ningbo including the Vice Office Administrator of

the Ningbo Municipal People's Government (寧波市人民政府辦公廳副主任), the People's Representative of the Ningbo (寧波市人大代表), the Administrator of Beilun District, Ningbo (寧波市北崙區人民政府區長) and Member of Party Committee of Ningbo (寧波市市委委員). Since 1993, Mr. Pan has served as the director of The Entrepreneur Association of Ningbo and as the president of the Economic Development Association of Ningbo (寧波經濟建設促進會). In April 1994, Mr. Pan was appointed as the vice general manager of Zhong Xin Daxie Development Company (中信集團大謝開發公司).

Mr. Pang has entered into a service contract with the Company for an initial term of three years commencing from 22 December 2006 and thereafter may be terminated by either party upon a three-month prior written notice. Under the service contract, Mr. Pang's emoluments recorded in 2006 was approximately RMB50,000 with reference to his experience and qualification.

Mr. Pang does not hold any office of directorships in other listed public companies in the last three years other than that of the Company.

As at the Latest Practicable Date, Mr. Pang has no interest in the Company within the meaning of Part XV of the SFO.

Mr. Pang is not related to any Directors, senior management, substantial or controlling Shareholders of the Company.

None of the above retiring Directors have any information which is required to be disclosed under Rules 13.51(2)(h)–(v) of the Listing Rules. Save as disclosed herein, there are no other matters relating to the re-election of the retiring Directors that need to be brought to the attention of the Shareholders.



**HAITIAN INTERNATIONAL HOLDINGS LIMITED**

**海天國際控股有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(stock code: 1882)**

**NOTICE IS HEREBY GIVEN** that the annual general meeting of Haitian International Holdings Limited (the “**Company**”) will be held at Salon 1–3 (level 3), JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong at 2:30 p.m on Friday, 8 June 2007 to consider and, if thought fit, transact the following business:

**ORDINARY BUSINESS**

1. to receive and consider the consolidated audited financial statements of the Company and its subsidiaries and the reports of the directors and the auditors of the Company for the year ended 31 December 2006;
2. to re-elect Mr. Zhang Jianguo as director of the Company and to authorize the board of directors of the Company to fix his remuneration;
3. to re-elect Mr. Zhang Jianfeng as director of the Company and to authorize the board of directors of the Company to fix his remuneration;
4. to re-elect Mr. Guo Mingguang as director of the Company and to authorize the board of directors of the Company to fix his remuneration;
5. to re-elect Mr. Pan Chaoyang as director of the Company and to authorize the board of directors of the Company to fix his remuneration;
6. to re-appoint PricewaterhouseCoopers as the Company’s auditors and to authorize the board of directors of the Company to fix their remuneration;

and, as additional ordinary business, to consider and, if thought fit, pass the following resolutions as ordinary resolutions (with or without modification);

7. “**THAT:**
  - (a) subject to paragraph (c) below, pursuant to The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), the exercise by the directors of the Company during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and deal with the unissued shares (each, a “**Share**”) of HK\$0.10 each in the capital of the Company and to make or grant offers, agreements or options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;

## NOTICE OF THE ANNUAL GENERAL MEETING

- (b) the approval in paragraph (a) above shall authorize the directors of the Company during the Relevant Period to make or grant offers, agreements or options which might require the exercise of the aforesaid powers after the expiry of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to options or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (defined below); or (ii) the exercise of any options granted under all share option schemes of the Company adopted from time to time in accordance with the Listing Rules; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed the aggregate of:

- (aa) 20 per cent. of the aggregate nominal value of the share capital of the Company in issue as at the date of the passing of this resolution; and

- (bb) (if the directors of the Company are so authorized by a separate ordinary resolution of the shareholders of the Company) the aggregate nominal value of any share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the aggregate nominal value of the share capital of the Company in issue as at the date of the passing of this resolution),

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

- (d) for the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or the applicable laws of the Cayman Islands to be held; or
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution;

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the directors of the Company to holders of Shares on the Company’s register of members on a fixed

## NOTICE OF THE ANNUAL GENERAL MEETING

record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

8. **“THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period (as defined in paragraph (c) below) of all powers of the Company to repurchase (or agree to repurchase) shares (each, a **“Share”**) of HK\$0.10 each in the capital of the Company on The Stock Exchange of Hong Kong Limited (**“Stock Exchange”**), or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission of Hong Kong, the Stock Exchange, the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares which may be repurchased or agreed to be repurchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal value of the share capital of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (c) for the purposes of this resolution, **“Relevant Period”** means the period from the date of the passing of this resolution until whichever is the earliest of:
  - (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or the applicable laws of the Cayman Islands to be held; or
  - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution.”

# NOTICE OF THE ANNUAL GENERAL MEETING

9. “**THAT** conditional on the passing of resolutions numbered 7 and 8 above, the general mandate granted to the directors of the Company pursuant to paragraph (a) of resolution numbered 7 above be and it is hereby extended by the addition to the aggregate nominal value of the shares which may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to or in accordance with such general mandate of an amount representing the aggregate nominal value of the share capital of the Company repurchased or agreed to be repurchased by the Company pursuant to or in accordance with the authority granted under paragraph (a) of resolution numbered 8 above.”

For and on behalf of the board of directors of  
**Haitian International Holdings Limited**  
**Zhang Jingzhang**  
*Chairman*

Date: 28 April 2007

*Registered office:*

Cricket Square, Hutchins Drive  
PO Box 2681, Grand Cayman KY1-1111  
Cayman Islands

*Principal place of business  
in Hong Kong:*

Unit D, 12th Floor  
Seabright Plaza,  
9–23 Shell Street  
North Point  
Hong Kong

**Notes:**

1. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more than one person as his proxy to attend and, subject to the provisions of the articles of association of the Company, vote in his stead. A proxy need not be a member of the Company.
2. To be valid, the form of proxy together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority must be deposited at the offices of the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Rooms 1806–8, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 48 hours before the time of the above meeting or any adjourned meeting.
3. The register of members of the Company will be closed from 6 June 2007 to 8 June 2007, both days inclusive, during which no transfer of share will be effected. In order to qualify for attending the annual general meeting, all transfers of Shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong at Shops 1712–16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 5 June 2007 for registration.
4. In relation to proposed resolutions numbered 7 and 9 above, approval is being sought from the shareholders for the grant to the directors of a general mandate to authorize the allotment and issue of shares under the Listing Rules. The directors have no immediate plans to issue any new shares of the Company.
5. In relation to proposed resolution numbered 8 above, the directors wish to state that they will exercise the powers conferred thereby to purchase shares of the Company in circumstances which they deem appropriate for the benefit of the shareholders. An explanatory statement containing the information necessary to enable the shareholders to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in the Appendix I in the circular of which this notice of the annual general meeting forms part.

## NOTICE OF THE ANNUAL GENERAL MEETING

6. In the case of joint holders of a share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto to if more than one of such joint holders are present at the above meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
7. Delivery of an instrument appointing a proxy should not preclude a member from attending and voting in person at the above meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.