
THE CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

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**KARCE INTERNATIONAL HOLDINGS COMPANY LIMITED**

(泰盛實業集團有限公司*)

(Incorporated in Bermuda with limited liability)

(Stock Code: 1159)

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

The notice convening the Annual General Meeting of Karce International Holdings Company Limited to be held at the Crystal Room IV, 3rd Floor, Panda Hotel, 3 Tsuen Wah Street, Tsuen Wan, New Territories, Hong Kong, on Tuesday, 27 May 2008 at 11:00 a.m. at which the above proposals will be considered is set out on pages 12 to 15 of this circular. Whether or not you are able to attend the meeting, please complete and return the relevant form of proxy as instructed as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting to the registered office of the Company. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting should you so wish.

25 April 2008

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DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company for the year ended 31 December 2007 to be held on 27 May 2008
“Annual Report”	annual report of the Company in respect of the year ended 31 December 2007
“associates”	having the meaning as ascribed in the Listing Rules
“Bye-laws”	the bye-laws of the Company
“Company”	Karce International Holdings Company Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	21 April 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Repurchase Mandate”	As defined under the section headed “Proposed general mandates to repurchase and issue Shares”
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Shareholders”	holders of the Share and a “Shareholder” shall be construed accordingly

DEFINITIONS

“Shares”	ordinary shares of HK\$0.1 each in the share capital of the Company (or of such other nominal amount as shall result from a sub-division, consolidation, reclassification or reconstruction of the share capital of the Company from time to time) and a “Share” shall be construed accordingly
“Share Issue Mandate”	a general mandate proposed to be granted to the Directors to exercise all the powers of the Company to allot, issue and deal with the Shares in the manner as set out in the ordinary resolution number 4A(c) of the AGM Notice
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

LETTER FROM THE BOARD



KARCE INTERNATIONAL HOLDINGS COMPANY LIMITED

(泰 盛 實 業 集 團 有 限 公 司*)

(Incorporated in Bermuda with limited liability)

(Stock Code: 1159)

Directors:

Mr. Tong Shek Lun
Ms. Ko Lai King, Kinny
Ms. Chung Wai Yu, Regina
Mr. Chim Kim Lun, Ricky
Mr. Cheng Kwok Hing, Andy

Principal Office:

Units 1 and 2
29th Floor
Cable TV Tower
9 Hoi Shing Road
Tsuen Wan
New Territories
Hong Kong

Non-executive Directors:

Mr. Lee Kwok Leung
Mr. Yang Yiu Chong, Ronald Jeffrey

Independent non-executive Directors:

Mr. Sun Yaoquan
Mr. Goh Gen Cheung
Mr. Chan Ho Man

25 April 2008

Dear Sir or Madam,

**ROPOSED GENERAL MANDATES TO ISSUE AND
REPURCHASE SHARES
AND
PROPOSED RE-ELECTION OF DIRECTORS**

A. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of the resolutions to be proposed at the Annual General Meeting for the proposed (i) granting of general mandates to repurchase Shares and to allot, issue and deal with new Shares and (ii) re-election of the Directors who are due to retire. This circular contains the explanatory statement in compliance with the Listing Rules and to give all the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the resolutions.

** For identification purposes only*

LETTER FROM THE BOARD

B. PROPOSED GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES

At the Annual General Meeting, an ordinary resolution will be proposed that the Directors be granted a general mandate (the “**Repurchase Mandate**”) to exercise all powers of the Company to repurchase issued and fully paid Shares up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company at the date of the passing of the resolution. The Repurchase Mandate allows the Company to make or agree to make repurchases only during the period ending on the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the date by which the next annual general meeting of the Company is required to be held by law or by the Bye-laws; or (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

Ordinary resolutions will also be proposed at the Annual General Meeting to (i) grant the Directors a general mandate to allot, issue and deal with new Shares up to a maximum of 20% of the aggregate nominal amount of the issued share capital of the Company at the date of passing of the resolution (the “**Share Issue Mandate**”); and (ii) extend the general mandate granted to the Directors to allot, issue and deal with new Shares as mentioned in paragraph (i) above by the amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the Repurchase Mandate.

As at the Latest Practicable Date, the issued share capital of the Company comprised of 652,356,000 Shares. Assuming that there is no change in the issued share capital of the Company between the period from the Latest Practicable Date and the date of passing the resolution approving the Repurchase Mandate, the maximum number of Shares which may be issued pursuant to the Share Issue Mandate on the date of passing the resolution approving the Share Issue Mandate will be 130,471,200 Shares.

Under the Listing Rules, the Company is required to give to the Shareholders all information which is reasonably necessary to enable the Shareholders to make an informed decision as to whether to vote for or against the resolution to renew the grant to the Directors the Repurchase Mandate. The explanatory statement required by the Listing Rules as to be included in this circular is set out in the Appendix to this circular.

C. EXPLANATORY STATEMENT

An explanatory statement containing all relevant information relating to the proposed Repurchase Mandate is set out in the Appendix to this circular. The information in the explanatory statement is provided to you with information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolution to grant to the Directors the Repurchase Mandate.

LETTER FROM THE BOARD

D. PROPOSED RE-ELECTION OF DIRECTORS

As at the Latest Practicable Date, the executive Directors are Mr. Tong Shek Lun, Ms. Ko Lai King, Kinny, Ms. Chung Wai Yu, Regina, Mr. Chim Kim Lun, Ricky and Mr. Cheng Kwok Hing, Andy; two non-executive Directors are Mr. Lee Kwok Leung and Mr. Yang Yiu Chong, Ronald Jeffrey; and three independent non-executive Directors are Mr. Sun Yaoquan, Mr. Goh Gen Cheung and Mr. Chan Ho Man.

The Bye-laws have provided that at each annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), 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.

Accordingly, Mr. Tong Shek Lun, Mr. Chim Kim Lun, Ricky, Mr. Cheng Kwok Hing, Andy and Mr. Chan Ho Man shall retire by rotation in accordance with the Bye-laws and Mr. Tong Shek Lun, Mr. Chim Kim Lun, Ricky and Mr. Cheng Kwok Hing, Andy being eligible, offer themselves for re-election at the Annual General Meeting.

Set out below are the brief biographical and other details of Mr. Tong Shek Lun, Mr. Chim Kim Lun, Ricky and Mr. Cheng Kwok Hing, Andy:

(A) Mr. Tong Shek Lun, an executive director

Mr. Tong Shek Lun, aged 53, is the chairman of the Company and managing Director and the founder of the Group. He is responsible for formulating the overall business strategy, strategic planning and business development of the Group. Mr. Tong had been involving the trading of watches and clocks from 1980 to 1991 before he established the Group. He has more than 18 years' experience in the electronic industry.

Mr. Tong did not have any relationship with any other Director, senior management, substantial shareholder or controlling shareholder of the Company and has not held any other positions with other members of the Group as at the Latest Practicable Date. Besides, he does not have any previous experience including other directorships held in the listed public companies in the last three years and other major appointments and qualifications. As at the Latest Practicable Date, Mr. Tong is not interested in any Shares or underlying Shares within the meaning of Part XV of the SFO.

He has entered into a service contract with the Company for a period of three years commencing from 1 April 2007 to 31 March 2010 (both days inclusive). He is entitled to an annual emolument of HK\$2,205,000 which is determined with reference to his duty and responsibility with the Company.

Saved as disclosed in this circular, the board of Directors is not aware of any information which is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules and any other matters that need to be brought to the attention of the shareholders of the Company.

LETTER FROM THE BOARD

(B) Mr. Chim Kim Lun, Ricky, an executive director

Mr. Chim, aged 38, holds a Bachelor degree in Arts from the University of British Columbia in Canada and has over 10 years of commercial and industrial experiences and of experience in investment. Mr. Chim is an executive director of Bestway International Holdings Limited, China Fair Land Holdings Limited, Frankie Dominion International Limited, Peking Apparel International Group Limited and Yueshou Environment Holdings Limited which are listed on the main board of The Stock Exchange of Hong Kong Limited. Saved as disclosed above, Mr. Chim has not held any directorship in other listed companies in the last three year. Mr. Chim has not previously held any position with the Group.

Mr. Chim is the son of Mr. Chim Pui Chung, who is the shareholder of Golden Mount Limited, a substantial shareholder of the Company. Saved as disclosed, Mr. Chim does not have any relationships with any directors, senior management, substantial or controlling shareholders of the Company. As at the date of this circular, Mr. Chim does not have any interest in the securities of the Company within the meaning of Part XV of the SFO.

There is no service contract entered into between the Company and Mr. Chim. Mr. Chim is not appointed for a specific term and is subject to retirement by re-election at the Annual General Meeting in accordance with the Bye-laws. He is not entitled to any remuneration, except for a bonus for each financial year which is at the discretion of the board of Directors and determined by reference to the Group's results and performance for the financial year concerned.

Saved as disclosed in this circular, the board of Directors is not aware of any information which is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules and any other matters that need to be brought to the attention of the shareholders of the Company.

(C) Mr. Cheng Kwok Hing, Andy, an executive director

Mr. Cheng, aged 36, has over 15 years of experience in accounting and administrative fields. Mr. Cheng is an executive director of Frankie Dominion International Limited, Peking Apparel International Group Limited, and an independent non-executive director of Yueshou Environment Holdings Limited, which are listed on the main board of the Stock Exchange. Mr. Cheng is also currently a director of a Hong Kong private limited company which is principally engaged in the manufacturing and sale of Chinese medical herbs in Hong Kong and the People's Republic of China and a director of another Hong Kong private limited company which is principally engaged in the manufacturing and sale of paper products. Saved as disclosed above, Mr. Cheng has not held any other directorships in other listed companies in the last three years. He has not previously held any position with the Group.

LETTER FROM THE BOARD

As far as the board of Directors is aware, Mr. Cheng does not have any relationships with any directors, senior management, substantial or controlling shareholders of the Company. As at the date of this circular, Mr. Cheng does not have any interest in the securities of the Company within the meaning of Part XV of the SFO.

There is no service contract entered into between the Company and Mr. Cheng. Mr. Cheng is not appointed for a specific term and is subject to retirement by re-election at the Annual General Meeting in accordance with the Bye-laws. He is not entitled to any remuneration, except for a bonus for each financial year which is at the discretion of the board of Directors and determined by reference to the Group's results and performance for the financial year concerned.

Saved as disclosed in this circular, the board of Directors is not aware of any information which is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules and any other matters that need to be brought to the attention of the shareholders of the Company.

E. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The information contained herein relating to the Company has been supplied by the Directors, who jointly and severally accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this circular have been arrived at after due and careful consideration and there are no other facts not contained in this circular the omission of which would make any statement contained herein misleading insofar as it relates to the Company.

F. GENERAL INFORMATION

The notice for the Annual General Meeting is set out in the Annual Report of the Company. Whether or not you intend to attend the Annual General Meeting, you are requested to complete the form of proxy and return it to the head office of the Company at Units 1 and 2, 29th Floor, Cable TV Tower, 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time appointed for holding the Annual General Meeting. The return of the proxy form will not preclude you from attending and voting in person if you so wish.

G. PROCEDURES FOR DEMANDING A POLL

Pursuant to the Bye-laws, at any general meeting, a resolution put to the vote of a meeting shall be decided on a show of hands unless voting by a poll is required by the rules of the designated stock exchange or (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:

- (a) by the chairman of such meeting; or

LETTER FROM THE BOARD

- (b) by at least three members present in person (or in the case of a member being a corporation by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (c) by a member or members present in person (or in the case of a member being a corporation by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all members having the right to vote at the meeting; or
- (d) by a member or members present in person (or in the case of a member being a corporation by its duly authorised representative) or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right; or
- (e) by any Director or Directors who, individually or collectively, hold proxies in respect of Shares representing five percent or more of the total voting rights at the meeting.

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

H. RECOMMENDATION

The Directors consider that the granting of the general mandates and the re-election of Directors are in the interest of the Company. The Directors therefore recommend the Shareholders to vote in favour of the resolutions to be proposed at the Annual General Meeting.

Yours faithfully,
By order of the board of Directors
Karce International Holdings Company Limited
Tong Shek Lun
Chairman

This Appendix serves as an explanatory statement given to all the Shareholders, as required by the Listing Rules, to provide requisite information of the Repurchase Mandate.

1. LISTING RULES FOR REPURCHASES OF SHARES

The Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their fully-paid shares subject to certain restrictions, the more important of which are summarised below:

(a) Share capital

Under the Repurchase Mandate, the number of Shares that the Company may repurchase shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company at the date of the passing of the relevant resolutions granting the Repurchase Mandate. The Company's authority is restricted to purchase in accordance with the Listing Rules. As at the Latest Practicable Date, there were in issue an aggregate of 652,356,000 Shares. Exercise in full of the Repurchase Mandate, on the basis that no further Shares would be issued or repurchased prior to the date of the Annual General Meeting, would accordingly result in up to 65,235,600 Shares being repurchased by the Company. The Shares repurchased by the Company shall, subject to applicable law, be automatically cancelled upon such repurchase.

(b) Reasons for repurchase

The Directors have no present intention to repurchase any Shares but consider that the Repurchase Mandate will provide the Company the flexibility to make such repurchase when appropriate and is beneficial to the Company. Such repurchases may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per Share. As compared with the financial position of the Company as at 31 December 2007 (being the date of its latest audited accounts), the Directors consider that there would not be any material adverse impact on the working capital and on the gearing position of the Company in the event that the Repurchase Mandate is exercised in full at any time during the proposed repurchase period. In the circumstances, the Directors do not propose to exercise the Repurchase Mandate to such an extent that would have a material adverse impact on the working capital or gearing ratio of the Company.

(c) Funding of repurchases

Repurchase of the Shares will be funded out of funds legally available for such purpose in accordance with the memorandum of association and bye-laws of the Company and the applicable laws of Bermuda.

(d) Directors, their associates and connected persons

None of the Directors nor, to the best of the knowledge and belief of the Directors having made all reasonable enquiries, any of their associates has any present intention, in the event that the proposed Repurchase Mandate is approved by the Shareholders, to sell Shares to the Company.

At the Latest Practicable Date, no connected person (as defined in the Listing Rules) of the Company has notified the Company that he/she has a present intention to sell Shares to the Company nor has he/she undertaken not to sell any of the Shares held by him/her to the Company in the event that the Repurchase Mandate is granted.

(e) Undertaking of the Directors

The Directors have undertaken to the Stock Exchange that they will exercise the powers of the Company to make repurchase pursuant to the Repurchase Mandate in the proposed resolution in accordance with the Listing Rules, the memorandum of association and bye-laws of the Company and the applicable laws of Bermuda.

(f) Effect of the Takeovers Code

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 purpose of Rule 26 of the Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholder's interests, could obtain or consolidate control of the Company and become(s) obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, the register of the substantial Shareholders maintained by the Company pursuant to Section 336 under Part XV of the SFO showed that the Company has been notified of the following interests, being 5% or more of the Company's issued share capital:

Name of Shareholder	Number of Shares held	Approximate percentage of the shareholding as at the Latest Practicable Date	Approximate percentage of shareholding if the Repurchase Mandate is exercised in full
Golden Mount Limited (<i>Note 1</i>)	151,180,000	23.2%	25.7%
Perfect Treasure Investment Limited (<i>Note 2</i>)	88,100,000	13.5%	15.0%

Notes:

1. Golden Mount is wholly-owned by Mr. Chim Pui Chung, who does not hold any position in the Company and is the father of Mr. Chim Kim Lun, Ricky, a Director.
2. Perfect Treasure Investment Limited is a company incorporated in Hong Kong and a wholly-owned subsidiary of Sing Tao News Corporation Limited, a company incorporated in Bermuda and whose securities are listed on the Stock Exchange.

In the event that the Directors shall exercise in full the Repurchase Mandate and assuming that no Shares are issued or repurchased between the Latest Practicable Date and the date of repurchase, the total interests of the above substantial Shareholders would be increased to approximately the respective percentages shown in the last column above and such increases may not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. However, the Directors have no current intention to exercise the Repurchase Mandate to such extent as would give rise to such obligation.

2. SHARE PURCHASE MADE BY THE COMPANY

The Company has not repurchased any of its shares (whether on the Stock Exchange or otherwise) in the six months proceeding the Latest Practicable Date.

3. SHARE PRICES

During each of the previous 12 months, the highest and lowest traded prices for Shares on the Stock Exchange were as follows:

Month	Per Share	
	Highest HK\$	Lowest HK\$
2007		
April	0.3550	0.2900
May	0.3650	0.2700
June	0.7000	0.3050
July	0.7300	0.4950
August	0.3500	0.2700
September	0.5600	0.3700
October	0.7400	0.3850
November	0.6300	0.4000
December	0.3950	0.4500
2008		
January	0.4150	0.2800
February	0.5200	0.3400
March	0.4800	0.3300
April (up to the Latest Practicable Date)	0.3900	0.3650

NOTICE OF AGM



KARCE INTERNATIONAL HOLDINGS COMPANY LIMITED

(泰盛實業集團有限公司*)

(Incorporated in Bermuda with limited liability)

(Stock Code: 1159)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of Karce International Holdings Company Limited (the “**Company**”) for the financial year ended 31 December 2007 will be held at Crystal Room IV, 3rd Floor, Panda Hotel, 3 Tsuen Wah Street, Tsuen Wan, New Territories, Hong Kong on 27 May 2008 at 11:00 a.m. to transact the following businesses:

ORDINARY RESOLUTIONS

1. to receive and consider the audited consolidated financial statements and the reports of the directors and auditors for the year ended 31 December 2007;
2.
 - A. to re-elect Mr. Tong Shek Lun as director of the Company (the “**Director**”);
 - B. to re-elect Mr. Chim Kim Lun, Ricky as Director;
 - C. to re-elect Mr. Cheng Kwok Hing, Andy as Director; and
 - D. to authorise the board of Directors to fix the remunerations of the Directors;
3. to re-appoint the auditors and authorise the board of Directors to fix their remuneration;
4. to consider as special businesses and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:
 - A. “**THAT:**
 - (a) subject to paragraph (c) of this Resolution, 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 would or might require the exercise of such powers, be and is hereby generally and unconditionally approved;

* For identification purposes only

NOTICE OF AGM

- (b) the approval in paragraph (a) of this Resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to (i) a Rights Issue (as defined below); (ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company; (iii) the exercise of any option under any share option scheme or similar arrangement for the time being adopted for the grant or issue to officers, employees of the Company and/or any of its subsidiaries or other eligible participants of shares or rights to acquire shares in the Company; or (iv) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of the cash payment for a dividend on shares of the Company in accordance with the bye-laws of the Company, shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing 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 which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable law to be held; and
- (iii) the date of which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

“**Rights Issue**” means an offer of shares or other securities of the Company open for a period fixed by the Directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such 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 laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside the Hong Kong Special Administrative Region of the People’s Republic of China).”

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B. **“THAT:**

- (a) subject to paragraph (b) of this Resolution, the exercise by the Directors during the Relevant Period (as defined below) of all powers of the Company to repurchase its own shares on The Stock Exchange of Hong Kong Limited, subject to and in accordance with all applicable laws and requirements, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the shares of the Company which may be purchased by the Company pursuant to the approval in paragraph (a) of this Resolution shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company as at the date of passing of this Resolution and the said approval shall 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 earlier 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 bye-laws of the Company or any applicable law to be held; and
- (iii) the date which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

- C. **“THAT** conditional upon Resolutions 4A and 4B set out above being passed, the aggregate nominal amount of the shares of the Company which are repurchased by the Company under the authority granted to the Directors as mentioned in Resolution 4B above shall be added to the aggregate nominal amount of the share capital of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to Resolution 4A above.”.

NOTICE OF AGM

As at the date of this announcement, the board of Directors consists of three executive Directors, Mr. Tong Shek Lun, Ms. Ko Lai King, Kinny and Ms. Chung Wai Yu, Regina; two non-executive Directors, Mr. Lee Kwok Leung and Mr. Yang Yiu Chong, Ronald Jeffrey; and three independent non-executive Directors, Mr. Sun Yaoquan, Mr. Goh Gen Cheung and Mr. Chan Ho Man.

By order of the board of Directors
Wong Hei Chiu
Company Secretary

Hong Kong, 25 April 2008

Notes:

1. Any member entitled to attend and vote at the meeting shall be entitled to appoint another person as his proxy to attend and, in the event of a poll, vote instead of him. A proxy need not be a member of the Company.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney or other person duly authorised.
3. In the case of joint holders of any shares in the Company, any one of such joint holders may vote at the meeting, either in person or by proxy, in respect of such shares as if he was solely entitled thereto, but if more than one of such joint holders are present at the meeting, either personally or by proxy, that one of the said persons so present whose name stands first on the register of members in respect of such shares shall be accepted to the exclusion of the votes of the other joint registered holders.
4. In order to be valid, a form of proxy and the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power of attorney or authority, must be deposited at the principal office of the Company, Units 1 and 2, 29th Floor, Cable TV Tower, 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong not less than 48 hours before the time for holding the meeting or any adjourned meeting.
5. Delivery of the form of proxy will not preclude a member from attending and voting in person at the meeting convened and in such event, the form of proxy shall be deemed to be revoked.