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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action you should take, 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 **PAK FAH YEOW INTERNATIONAL LIMITED**, you should at once hand this circular and the accompanying proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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.

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**PAK FAH YEOW INTERNATIONAL LIMITED**

**白花油國際有限公司\***

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 239)

**PROPOSALS INVOLVING  
GENERAL MANDATES TO REPURCHASE SHARES  
AND TO ISSUE SHARES AND  
RE-ELECTION OF RETIRING DIRECTORS AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of Pak Fah Yeow International Limited to be held at 11th Floor, The Sun's Group Centre, 200 Gloucester Road, Wanchai, Hong Kong on Wednesday, 13th June, 2007 at 2:30 p.m. is set out on pages 11 to 14 of this circular. Whether or not you propose to attend the meeting, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the head office and principal place of business of the Company at 11th Floor, The Sun's Group Centre, 200 Gloucester Road, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding of the meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the meeting should you so wish.

\* *For identification purposes only*

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## DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held on Wednesday, 13th June, 2007 at 2:30 p.m., notice of which is set out on pages 11 to 14 of this circular
“Companies Act”	the Companies Act 1981 of the laws of Bermuda
“Company”	Pak Fah Yeow International Limited, a company incorporated with limited liability in Bermuda and with its Shares listed on the Stock Exchange
“Directors”	the directors of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of The People’s Republic of China
“Latest Practicable Date”	23rd April, 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Repurchase Proposal”	the proposal to give a general mandate to the Directors to exercise the powers of the Company to repurchase during the period as set out in the Repurchase Resolution Shares up to a maximum of 10 percent of the issued share capital of the Company as at the date of passing the Repurchase Resolution
“Repurchase Resolution”	the proposed ordinary resolution as referred to in resolution in item 5 of the notice of the Annual General Meeting
“Share(s)”	share(s) of HK\$0.05 each in the share capital of the Company
“Share Repurchase Rules”	the relevant rules set out in the Listing Rules to regulate the repurchase by companies with primary listing on the Stock Exchange of their own securities on the Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeover Code”	the Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

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## LETTER FROM THE CHAIRMAN

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### PAK FAH YEOW INTERNATIONAL LIMITED

白花油國際有限公司\*

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 239)

***Executive Directors:-***

GAN Wee Sean (*Chairman*)

Stephen GAN Fock Wai (*Chief Executive Officer*)

***Independent Non-Executive Directors:-***

Lawrence Leung Man Chiu

Ada WONG Ying Kay

Arnold IP Tin Chee

***Registered Office:-***

Clarendon House,

2 Church Street,

Hamilton HM 11,

Bermuda

***Head Office and Principal Place  
of Business:-***

11th Floor, The Sun's Group Centre,

200 Gloucester Road,

Wanchai, Hong Kong

Hong Kong, 30th April, 2007

*To the shareholders*

Dear Sir or Madam,

**PROPOSALS INVOLVING  
GENERAL MANDATES TO REPURCHASE SHARES  
AND TO ISSUE SHARES AND  
RE-ELECTION OF RETIRING DIRECTORS AND  
NOTICE OF ANNUAL GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this circular is to provide you with the information regarding the proposed renewal of the general mandates to allot, issue and deal with shares and to repurchase shares as well as re-election of retiring directors and to seek your approval of the resolutions relating to these matters at the Annual General Meeting.

\* For identification purposes only

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## **LETTER FROM THE CHAIRMAN**

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### **2. GENERAL MANDATE TO REPURCHASE SHARES**

At the annual general meeting of the Company held on 27th June, 2006, a general mandate was given by the Company to the Directors to exercise the powers of the Company to repurchase Shares. Such mandate will lapse at the conclusion of the forthcoming Annual General Meeting of the Company. The Directors propose to seek your approval of the Repurchase Resolution to be proposed at the Annual General Meeting. An explanatory statement as required under the Share Repurchase Rules to provide the requisite information of the Repurchase Proposal is set out in appendix I hereto.

### **3. GENERAL MANDATE TO ISSUE NEW SHARES**

It will also be proposed at the Annual General Meeting two ordinary resolutions respectively granting to the Directors a general mandate to allot, issue and deal with Shares not exceeding 20 percent of the issued share capital of the Company as at the date of passing the resolution and adding to such general mandate so granted to the Directors any Shares representing the aggregate nominal amount of the Shares repurchased by the Company after the granting of the general mandate to repurchase Shares up to 10 percent of the issued share capital of the Company as at the date of passing the Repurchase Resolution.

### **4. RE-ELECTION OF RETIRING DIRECTORS**

The Board of Directors currently consists of five Directors, namely Mr. Gan Wee Sean, Mr. Stephen Gan Fock Wai, Mr. Lawrence Leung Man Chiu, Ms. Ada Wong Ying Kay and Mr. Arnold Ip Tin Chee.

Pursuant to the Bye-laws, Mr. Stephen Gan Fock Wai, Ms. Ada Wong Ying Kay and Mr. Lawrence Leung Man Chiu shall retire by rotation from office at the Annual General Meeting and shall be eligible and offer themselves for re-election. Details of retiring Directors proposed for re-election at the Annual General Meeting are set out in appendix II of this circular.

### **5. ANNUAL GENERAL MEETING**

On pages 11 to 14 of this circular, you will find a notice convening the Annual General Meeting at which the following resolutions will be proposed:—

- an ordinary resolution to grant to the Directors a general mandate to exercise all powers of the Company to repurchase on the Stock Exchange Shares representing up to 10 percent of the issued share capital of the Company as at the date of passing the Repurchase Resolution;
- an ordinary resolution to grant to the Directors a general mandate to authorise the Directors to issue, allot and deal with Shares with an aggregate nominal value not exceeding 20 percent of the aggregate nominal amount of the issued share capital of the Company as at the date of passing such resolution; and
- an ordinary resolution to extend the general mandate which will be granted to the Directors to issue, allot and deal with additional Shares by adding to it the number of Shares repurchased under the Repurchase Proposal after the granting of the general mandate.

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## LETTER FROM THE CHAIRMAN

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### 6. VOTING OF THE MEETING

Pursuant to Bye-law 70 of the Bye-laws, at the Annual General Meeting, resolutions put to the vote of the meeting shall be decided on a show of hands unless a poll is taken as may from time to time be required under the rules of the Designated Stock Exchange (as defined in the Bye-laws) or unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded by

- (a) the chairman of the meeting; or
- (b) at least three shareholders present in person (or in the case of a shareholder being a corporation, by its duly authorized representative) or by proxy for the time being entitled to vote at the meeting; or
- (c) any shareholder or shareholders present in person (or in the case of a shareholder being a corporation, by its duly authorized representative) or by proxy and representing not less than one-tenth of the total voting rights of all the shareholders having the right to vote at the meeting; or
- (d) shareholder or shareholders present in person (or in the case of a shareholder being a corporation, by its duly authorized representative) or by proxy and holding Shares conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right; and
- (e) if required by the Listing Rules, by the chairman of the meeting and/or Director or Directors who, individually or collectively, hold proxies in respect of Shares representing 5% or more of the total voting rights at the meeting.

On a show of hands, every shareholder who is present in person or by a duly authorized representative or by proxy shall have one vote. On a poll, every shareholder present in person, or by a duly authorized representative or by proxy shall have one vote for every Share of which he is the holder.

### 7. ACTION TO BE TAKEN

A proxy form for use at the Annual General Meeting is enclosed with this circular. Whether or not you intend to attend the Annual General Meeting, you are requested to complete the proxy form and return it to the head office and principal place of business of the Company at 11th Floor, The Sun's Group Centre, 200 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and return of the proxy form will not prevent shareholders of the Company from attending and voting at the Annual General Meeting if they so wish.

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## LETTER FROM THE CHAIRMAN

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### 8. RECOMMENDATION

The Directors believe that the Repurchase Proposal, the general mandate for Directors to issue new Shares and the re-election of the retiring directors are all in the best interests of the Company and its shareholders. Accordingly, the Directors recommend that all shareholders should vote in favour of the relevant resolutions as set out in the notice of Annual General Meeting.

By Order of the Board  
**GAN Wee Sean**  
*Chairman*

This appendix serves as an explanatory statement, as required by the Share Repurchase Rules, to provide requisite information to you for your consideration of the proposal to permit the repurchase of Shares up to a maximum of 10% of the issued share capital of the Company as at the date of passing the Repurchase Resolution.

### **1. Share Capital**

As at the Latest Practicable Date, the issued share capital of the Company comprised 260,000,000 Shares.

Subject to the passing of the Repurchase Resolution and on the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, the Company would be allowed under the Repurchase Resolution to repurchase a maximum of 26,000,000 Shares, representing not more than 10 percent of the issued share capital of the Company as at the Latest Practicable Date.

### **2. Reasons for Repurchase**

The Directors believe that the Repurchase Proposal is in the best interests of the Company and its shareholders. Such repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per Share of the Company and will only be made when the Directors believe that such a repurchase will benefit the Company and its shareholders.

### **3. Funding of Repurchases**

In repurchasing Shares, the Directors will only apply funds legally available for such purpose in accordance with its memorandum of association and bye-laws and the applicable laws of Bermuda. The Companies Act provides that the amount of capital repaid in connection with a share repurchase may only be paid out of either the capital paid up on the relevant shares, or out of the funds of the Company otherwise available for dividend or distribution or the proceeds of a fresh issue of shares made for the purpose. The amount of premium payable on repurchase may only be paid out of either the funds of the Company that would otherwise be available for dividend or distribution or out of the share premium of the Company.

There might be a material adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited accounts contained in the annual report for the year ended 31st December, 2006 in the event that the power to repurchase Shares pursuant to the Repurchase Proposal were to be exercised in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the power to repurchase Shares pursuant to the Repurchase Proposal to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

#### 4. Share Prices

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

	<b>Highest</b>	<b>Lowest</b>
	<i>HK\$</i>	<i>HK\$</i>
April 2006	1.55	1.40
May 2006	1.46	1.38
June 2006	1.47	1.37
July 2006	1.54	1.43
August 2006	1.50	1.46
September 2006	1.64	1.47
October 2006	1.64	1.54
November 2006	1.61	1.52
December 2006	1.68	1.57
January 2007	1.73	1.60
February 2007	1.95	1.67
March 2007	1.95	1.76
April 1 2007 up to the Latest Practicable Date	2.00	1.85

#### 5. Undertaking

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will only exercise the powers of the Company to make repurchases pursuant to the Repurchase Proposal in accordance with the Listing Rules and the applicable laws of Bermuda.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their associates (as defined in the Listing Rules), have any present intention to sell any Shares to the Company or its subsidiaries under the Repurchase Proposal if such is approved by the shareholders of the Company.

No connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company or its subsidiaries, or have undertaken not to do so, in the event that the Repurchase Proposal is approved by the shareholders of the Company.

#### 6. Takeover Code and General

If, on the exercise of the power to repurchase Shares pursuant to the Repurchase Proposal, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeover 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 Rules 26 and 32 of the Takeover Code.



As at the Latest Practicable Date, Mr. GAN Wee Sean and Mr. GAN Fock Wai, Stephen together with their respective associates held respectively 79,293,600 Shares and 60,804,000 Shares, representing in aggregate approximately 53.9 percent of the issued share capital of the Company. In the event that the Directors exercised in full the power to repurchase Shares pursuant to the Repurchase Proposal, the shareholdings of Mr. GAN Wee Sean and Mr. GAN Fock Wai, Stephen, together with their associates would be increased to approximately 59.9 percent.

The Directors are not aware of any consequences, which may arise under the Takeover Code as a result of any repurchases made under the Repurchase Proposal.

In the event that the Repurchase Proposal is exercised in full, the number of Shares held by the public would not fall below 25%.

#### **7. Shares Repurchase made by the Company**

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

The following are the particulars of the Directors proposed to be re-elected at the Annual General Meeting to be held on 26th June, 2007:-

**Mr. Stephen Gan Fock Wai**, aged 45, was appointed as an executive director of the Company on 8th October, 1991. He has been actively involved in the management of the Group since 1986. He possessed an honorary bachelor degree in food process engineering from Loughborough University of Technology In England. In 2001, he was awarded one of the “2001 Youth Industrial Awards of Hong Kong” by the Federation of Hong Kong Industries. He was also a committee member (Practitioners Board) of the Chinese Medicine Council of Hong Kong from 1999 to 2005. He is the son of the founder, Mr. Gan Geok Eng. Mr. Gan Wai Sean, Chairman of the Company, is the grandson of the founder. Mr. Gan did not hold any directorship in other listed public companies in the past three years. He is the chief executive officer of the Company, member of remuneration committee of the Company and director in a number of subsidiaries of the group of the Company. Save as disclosed above, he does not hold any other position of the Company and other companies within the Group.

As at the Latest Practicable Date, Mr. Gan has personal interests and corporate interests of 8,697,400 shares and 52,106,600 shares respectively, representing in aggregate approximately 23.4% of the issued share capital of the Company, within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”). In accordance with the service agreement between the Company and Mr. Gan, he is not appointed for a specific term except that he is subject to retirement by rotation and re-election in accordance with the Company’s Bye-laws. He is entitled to an annual remuneration package including management bonus and housing allowance of approximately HK\$3,019,000. There is no agreement as to the directors’ fee of Mr. Gan and his director’s fee will be determined by the Board by reference to the prevailing market conditions and subject to the shareholders’ approval at the Annual General Meeting. Save as disclosed above, he does not have by other relationship with any directors, senior management, substantial or controlling shareholders of the Company.

Save as disclosed above, Mr. Gan has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election and there are no other information that should be disclosed pursuant to rule 13.51(2)(h) to (v) of the Listing Rules.

**Ms. Ada Wong Ying Kay**, aged 47, is appointed as an independent non-executive director of the Company on 8th September, 2004. She is a practicing solicitor and China-Appointed Attesting Officer. She is an independent non-executive director of Hengan International Group Company Limited, a company listed on The Stock Exchange of Hong Kong Limited. She was formerly an independent non-executive director of Nanjing Panda Electronics Company Limited and Dongfeng Electrical Machinery Company Limited and resigned from these two companies as independent non-executive director on 12th May, 2004 and 26th August, 2004 respectively. Save as disclosed above, Ms. Wong has not acted as a director in any other listed company during the past three years. Ms. Wong is a member of audit committee and remuneration committee. Save as disclosed above, she does not hold any position of the Company and other companies within the Group.

Ms. Wong is appointed for a term until 30th September, 2008 and subject to retirement and re-election provisions in the Bye-laws. She is entitled to have a director fee of not less than HK\$80,000 per annum which is subject to approval of the Board by reference to the prevailing market conditions and the approval of shareholders at the Annual General Meeting.

Ms. Wong is not related, directly or indirectly, with any director, senior member of management or principal or controlling shareholders of the Company. Ms. Wong does not have any direct or indirect interest in any of the Company's shares as defined under Part XV of the SFO.

Save as disclosed above, Ms. Wong has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with her re-election and there are no other information that should be disclosed pursuant to rule 13.51(2)(h) to (v) of the Listing Rules.

**Mr. Leung Man Chiu, Lawrence**, aged 59, is appointed as an independent non-executive director of the Company on 19th July, 2006. He is a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. He graduated in 1969 from the Hong Kong Technical College (presently known as the Hong Kong Polytechnic University) with a diploma in accountancy and qualified himself as a certified public accountant in 1972. Mr. Leung is a practicing certified public accountant and has been in public practice for over 36 years. He has extensive experience in accounting and auditing and served in listing and auditing projects for a number of Hong Kong public listed companies. Mr. Leung is a director of Safety Godown Company, Limited, a company listed on The Stock Exchange of Hong Kong Limited. Save as disclosed, Mr. Leung has not acted as a director in any other listed company during the past three years. Mr. Leung is Chairman of audit committee and a member of remuneration committee. Save as disclosed above, he does not hold any position of the Company and other companies within the Group.

Mr. Leung is appointed for a term until 30th September, 2008 and subject to retirement and re-election provisions in the Bye-laws. He is entitled to have a director fee of not less than HK\$80,000 per annum which is subject to approval of the Board by reference to the prevailing market conditions and the approval of shareholders at the Annual General Meeting.

Mr. Leung is not related, directly or indirectly, with any director, senior member of management or principal or controlling shareholders of the Company. Mr. Leung does not have any direct or indirect interest in any of the Company's shares as defined under Part XV of the SFO.

Save as disclosed above, Mr. Leung has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election and there are no other information that should be disclosed pursuant to rule 13.51(2)(h) to (v) of the Listing Rules.

In the opinions of the Directors, other than the aforesaid matters, there is no other matters need to be brought to the attention of the shareholders of the Company in relation to the re-election of the above retiring directors.

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## NOTICE OF ANNUAL GENERAL MEETING

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### PAK FAH YEOW INTERNATIONAL LIMITED

白花油國際有限公司\*

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 239)

**NOTICE IS HEREBY GIVEN** that the annual general meeting of the Company will be held at 11th Floor, The Sun's Group Centre, 200 Gloucester Road, Wanchai, Hong Kong on Wednesday, 13th June, 2007 at 2:30 p.m. for the following purposes:–

1. To receive and consider the financial statements and the reports of the directors and auditors for the year ended 31st December, 2006.
2. To declare a final dividend and a special final dividend.
3. To re-elect directors and authorise the board of directors to fix the remuneration of directors.
4. To re-appoint auditors and authorise the board of directors to fix the remuneration of auditors.
5. As special business, to consider and, if thought fit, pass with or without modification, the following resolution as an ordinary resolution of the Company:–

#### **ORDINARY RESOLUTION**

**“THAT:–**

- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of HK\$0.05 each in the capital of the Company on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) or on any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other recognised stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

\* For identification purposes only

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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) the aggregate nominal amount of the shares of the Company which the directors of the Company is authorised to repurchase pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing 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 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 laws of Bermuda or the Bye-Laws of the Company to be held; or
    - (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting of the Company.”
6. As special business, to consider and, if thought fit, pass with or without modification, the following resolution as an ordinary resolution of the Company:–

### ORDINARY RESOLUTION

“**THAT:**–

- (a) subject to paragraph (c) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.05 each in the capital of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such powers be and are hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorize the directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than (i) pursuant to a Rights Issue (as hereinafter defined); (ii) an issue of shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to employees of the Company and/or any of its subsidiaries of

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## NOTICE OF ANNUAL GENERAL MEETING

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shares or rights to acquire shares of the Company; or (iii) pursuant to an issue of shares as scrip dividends pursuant to the Bye-Laws of the Company from time to time, shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this Resolution, and the said approval shall be limited accordingly; and

- (d) for the purpose of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:–
- (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the laws of Bermuda or the Bye-laws of the Company to be held; or
  - (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting of the Company; and

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

7. As special business, to consider and, if thought fit, pass with or without modification, the following resolution as an ordinary resolution of the Company:–

### ORDINARY RESOLUTION

“**THAT** subject to the passing of the Resolutions in items 5 and 6 of the notice convening this meeting, the general mandate granted to the directors of the Company to allot, issue and deal with additional shares pursuant to the Resolution in item 6 of the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of shares in the capital of the Company repurchased by the

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## NOTICE OF ANNUAL GENERAL MEETING

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Company under the authority granted pursuant to the Resolution in item 5 of the notice convening this meeting, provided that such amount of shares so repurchased shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the said Resolution in item 5 of the notice convening this meeting.”

By Order of the Board  
**LO Tai On**  
*Secretary*

Hong Kong, 30th April, 2007.

*Notes:-*

1. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
2. To be valid, a proxy form, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be lodged with the head office and principal place of business of the Company at 11th Floor, The Sun's Group Centre, 200 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
3. The register of members of the Company will be closed from Friday, 8th June, 2007 to Wednesday, 13th June, 2007, both days inclusive, during which period no transfer of shares will be effected. To rank for the proposed final dividend and special final dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Share Registrars, Standard Registrars Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 7th June, 2007.
4. With regard to item no.3 in this notice, the board of directors of the Company proposes that the retiring directors, namely Mr. Stephen Gan Fock Wai, Ms. Ada Wong Ying Kay and Mr. Lawrence Leung Man Chiu be re-elected as directors of the Company. Details of the above retiring directors are set out in the appendix II of the circular to shareholders dated 30th April, 2007.