
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action 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.

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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**

A notice convening the annual general meeting of Pak Fah Yeow International Limited to be held at 11th Floor, 200 Gloucester Road, Wan Chai, Hong Kong on Thursday, 26th June, 2008 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, 200 Gloucester Road, Wan Chai, 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 purpose only

DEFINITIONS

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 Thursday, 26th June, 2008 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” | 24th April, 2008, 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 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 |

LETTER FROM THE CHAIRMAN



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 and Acting Chief Executive Officer*)
Stephen GAN Fock Wai

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,
200 Gloucester Road,
Wan Chai, Hong Kong

Hong Kong, 30th April, 2008

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.

2. GENERAL MANDATE TO REPURCHASE SHARES

At the annual general meeting of the Company held on 13th June, 2007, 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.

* For identification purpose only

LETTER FROM THE CHAIRMAN

The general mandate granted pursuant to the Repurchase Resolution shall be exercisable during the period from the passing of the Repurchase 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 bye-laws of the Company to be held; or
- (iii) the date on which the authority set out in such resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting of the Company.

3. GENERAL MANDATE TO ISSUE NEW SHARES

It will also be proposed at the Annual General Meeting two ordinary resolutions (namely ordinary resolutions as referred to in items 6 and 7 of the notice of Annual General Meeting) 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 (i.e. not exceeding 52,000,000 Shares based on the issued share capital of the Company of 260,000,000 Shares as at the Latest Practicable Date and assuming that such issued share capital remains the same as at the date passing the ordinary 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.

The general mandate to allot, issue and deal with Shares shall be exercisable during the period from the passing of the ordinary 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 bye-laws of the Company to be held; or
- (iii) the date on which the authority set out in such resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting of the Company.

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. Gan Wee Sean and Mr. Arnold Ip Tin Chee retire by rotation from office at the Annual General Meeting and, being eligible, 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.

LETTER FROM THE CHAIRMAN

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.

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 of the Company) 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.

LETTER FROM THE CHAIRMAN

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, 200 Gloucester Road, Wan Chai, 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.

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, 2007 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:

| | Highest | Lowest |
|--|----------------|---------------|
| | <i>HK\$</i> | <i>HK\$</i> |
| April 2007 | 2.00 | 1.85 |
| May 2007 | 2.23 | 1.93 |
| June 2007 | 2.60 | 2.15 |
| July 2007 | 2.50 | 2.37 |
| August 2007 | 2.58 | 2.10 |
| September 2007 | 2.48 | 2.13 |
| October 2007 | 2.30 | 1.93 |
| November 2007 | 2.10 | 1.86 |
| December 2007 | 2.10 | 1.90 |
| January 2008 | 1.98 | 1.77 |
| February 2008 | 1.91 | 1.84 |
| March 2008 | 2.00 | 1.80 |
| April 2008 (up to the Latest Practicable Date) | 2.01 | 1.87 |

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 79,093,600 Shares and 60,359,000 Shares, representing in aggregate approximately 53.6 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 59.6 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, 2008:

Mr. Gan Wee Sean, aged 61, is the Chairman of the Board and an executive director of the Company. He has been actively involved in the management of the Group since 1971 and was appointed as an executive director on 8th October, 1991 and acting chief executive officer on 21st April 2008. He attended North Western Polytechnic, London, England where he majored in business administration and marketing. He is a Fellow of the Institute of Chartered Secretaries and Administrators and Fellow of the Chartered Institute of Marketing. From 1981 to 1986, and from 1987 to 1990, he held the position of vice-chairman and chairman respectively of Chung Sing Benevolent Society. He was chairman of the Malaysian Association in Hong Kong from 1987 to 1989, and was a founder member of the Institute of Marketing in Hong Kong. He is also vice president of the St. John's Ambulance Brigade Island Command in Hong Kong. He is the eldest grandson of the founder, Mr. Gan Geok Eng. Mr. Stephen Gan Fock Wai, executive director of the Company, is the son of the founder. Save as disclosed above, Mr. Gan did not hold any directorship in other listed public companies in the past three years. He is a director in a number of subsidiaries of the group of the Company. Save as disclosed above, he does not hold any position of the Company and other companies within the Group.

As at the Latest Practicable Date, Mr. Gan has personal interests, family interests and corporate interests of 22,673,600 shares, 1,983,800 shares and 54,436,200 shares respectively, representing in aggregate approximately 30.4% 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\$4,494,000. 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.

Mr. Ip Tin Chee, Arnold, aged 45, was appointed as an independent non-executive director of the Company in September, 2004. He is a graduate of Trinity College, Cambridge University, and qualified as a chartered accountant in 1988. Between 1989 and March 1997, he worked for Standard Chartered Asia Limited and was a director of Yuanta Securities (Hong Kong) Limited thereafter until January 2001, specializing in a range of corporate finance and advisory activities for companies based in Hong Kong and China. He is a director of Altus Capital Limited where he is involved in the supervision and management of corporate finance and advisory work for companies in Hong Kong and in advising on private equity and property investments in Asia. Mr. Ip's work focuses on fund raising for listed and unlisted companies, and management of real estate investment funds. He is chairman of the management company which acts as manager of Saizen REIT, a real estate investment trust listed on the Singapore Stock Exchange. He is also an independent non-executive director of Pioneer Global Group Limited, a company listed on the Stock Exchange. Save as disclosed, Mr. Ip has not acted as a director in any other listed company during the past three years. Mr. Ip is a member of audit committee and remuneration committee. Save as disclosed above, he does not hold any position of the Company and other companies within the Group.

Mr. Ip 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. Ip is not related, directly or indirectly, with any director, senior member of management or principal or controlling shareholders of the Company. Mr. Ip 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. Ip 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.

NOTICE OF ANNUAL GENERAL MEETING



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, 200 Gloucester Road, Wan Chai, Hong Kong on Thursday, 26th June, 2008 at 2:30 p.m. for the following purposes:

1. To receive and consider the financial statements and the report of the directors and independent auditor's report for the year ended 31st December, 2007.
2. To declare a 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; and to consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution of the Company:

“**THAT** the re-appointment of Mazars CPA Limited, who was appointed by the board of directors of the Company on 13th June, 2007 to fill the casual vacancy occurred by Moores Rowland (previously known as Moores Rowland Mazars) not seeking for re-appointment at the 2007 annual general meeting, as auditors of the Company until the next annual general meeting of the Company at a remuneration to be fixed by the board of directors of the Company be and they are hereby approved.”

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 purpose only

NOTICE OF ANNUAL GENERAL MEETING

- (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 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

NOTICE OF ANNUAL GENERAL MEETING

- (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 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, 2008

NOTICE OF ANNUAL GENERAL MEETING

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, 200 Gloucester Road, Wan Chai, 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 Monday, 23rd June, 2008, to Thursday, 26th June, 2008, both days inclusive, during which period no transfer of shares will be effected. To rank for the proposed final dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Share Registrars, Tricor Standard Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 20th June, 2008.
4. With regard to item no.3 in this notice, the board of directors of the Company proposes that the retiring directors, namely Mr. Gan Wee Sean and Mr. Arnold Ip Tin Chee 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, 2008.
5. As at the date of this notice, the board of directors of the Company comprised (i) Mr. Gan Wee Sean (Chairman and Acting Chief Executive Officer) and Mr. Stephen Gan Fock Wai as executive directors; and (ii) Mr. Lawrence Leung Man Chiu, Ms. Ada Wong Ying Kay and Mr. Arnold Ip Tin Chee as independent non-executive directors.