
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 VARITRONIX INTERNATIONAL LIMITED, you should at once hand this circular and the enclosed proxy form 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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VARITRONIX
VARITRONIX INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 710)

**PROPOSALS INVOLVING
GENERAL MANDATES TO REPURCHASE SHARES
AND TO ISSUE SHARES,
AMENDMENT TO EXISTING BYE-LAWS
AND
RE-ELECTION OF RETIRING DIRECTORS**

A notice convening the AGM of the Company to be held at 9th Floor, Liven House, 61-63 King Yip Street, Kwun Tong, Kowloon, Hong Kong on Monday, 2 June 2008 at 10:00 a.m. is set out on pages 12 to 16 of this circular. Whether or not you are able to attend the meeting, you are requested to complete the enclosed proxy form in accordance with the instructions printed thereon and return it to the head office and principal place of business of the Company at 9/F., Liven House, 61-63 King Yip Street, Kwun Tong, Kowloon, 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 adjourned meeting. Completion and return of the proxy form will not preclude you from attending and voting in person at the meeting or any adjourned meeting if you so wish.

Hong Kong, 28 April 2008

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at 9th Floor, Liven House, 61-63 King Yip Street, Kwun Tong, Kowloon, Hong Kong on Monday, 2 June 2008 at 10:00 a.m., notice of which is set out on pages 12 to 16 of this circular
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company for the time being
“Company”	Varitronix International Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company from time to time
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of The People’s Republic of China
“Latest Practicable Date”	22 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 Proposal”	the proposal to give a general mandate to the Board to exercise the powers of the Company to repurchase Shares up to a maximum of 10% of the issued share capital of the Company as at the date of the passing of the Repurchase Resolution
“Repurchase Resolution”	the proposed ordinary resolution as referred to in item 5 of the notice of the AGM
“Share(s)”	share(s) of HK\$0.25 each in the share capital of the Company

DEFINITIONS

“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
“Shareholder(s)”	the holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

LETTER FROM THE BOARD



VARITRONIX

VARITRONIX INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 710)

Directors:

Executive Directors:

Mr. Ko Chun Shun, Johnson (*Chairman*)

Mr. Tsoi Tong Hoo, Tony

Mr. Ho Te Hwai, Cecil

Independent Non-executive Directors:

Dr. Lo Wing Yan, William J.P.

Mr. Yuen Kin

Mr. Hou Ziqiang

Registered Office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Head Office and Principal

Place of Business:

9th Floor, Liven House

61-63 King Yip Street

Kwun Tong

Kowloon

Hong Kong

28 April 2008

To the Shareholders

Dear Sir or Madam,

**PROPOSALS INVOLVING
GENERAL MANDATES TO REPURCHASE SHARES
AND TO ISSUE SHARES,
AMENDMENT TO EXISTING BYE-LAWS
AND
RE-ELECTION OF RETIRING DIRECTORS**

1. INTRODUCTION

The purpose of this circular is to provide you with information regarding the proposed general mandates to allot, issue and deal with Shares and to repurchase Shares and the proposed amendment to the existing Bye-laws and to seek your approval of the resolutions relating to these matters at the AGM.

LETTER FROM THE BOARD

2. GENERAL MANDATE TO REPURCHASE SHARES

At the annual general meeting of the Company held on 11 June 2007, a general mandate was granted to the Board to exercise the powers of the Company to repurchase Shares. Such mandate will lapse at the conclusion of the forthcoming AGM. The Board proposes to seek your approval of the Repurchase Resolution as set out in resolution no. 5 in the notice of the AGM to give a fresh mandate to the Directors to exercise the power of the Company to repurchase Shares up to a maximum of 10% of the issued share capital of the Company at the date of passing of the resolution. This general mandate will continue in force during the period from the passing of the Repurchase Resolution until the conclusion of the next annual general meeting of the Company or the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the Bye-laws of the Company to be held or until these general mandates are revoked or varied by ordinary resolutions of the Shareholders in general meeting, whichever is the earlier. 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 to this circular. The Board believes that such mandate will give flexibility to the Board to repurchase Shares when it is in the best interest of the Company.

3. GENERAL MANDATE TO ISSUE NEW SHARES

At the annual general meeting of the Company held on 11 June 2007, a general mandate was granted to the Board to exercise the powers of the Company to allot, issue and deal with Shares. Such mandate will lapse at the conclusion of the forthcoming AGM. The Board proposes to seek your approval of the resolutions as set out in resolution no. 6 and 7 in the notice of the AGM to give a fresh mandate to the Directors to exercise the power of the Company to allot, issue and deal with Shares up to a maximum of 20% of the issued share capital of the Company at the date of passing of the resolution, and adding to such general mandate so granted to the Board 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% of the issued share capital of the Company as at the date of the passing of the Repurchase Resolution. This general mandate will continue in force during the period from the passing of the Repurchase Resolution until the conclusion of the next annual general meeting of the Company or the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the Bye-laws of the Company to be held or until these general mandates are revoked or varied by ordinary resolutions of the Shareholders in general meeting, whichever is the earlier. The Board believes that such mandate will give flexibility to the Board to allot, issue and deal with Shares when it is in the best interest of the Company.

4. AMENDMENTS TO EXISTING BYE-LAWS

To bring the Bye-laws of the Company in line with the Code on Corporate Governance Practices contained in Appendix 14 to the Listing Rules, in particular, code provision A.4.2 Appendix 14, a special resolution will be proposed at the AGM to approve amendments to existing Bye-laws 99(A), 102(A) and 102(B). In general, the proposed amendments will

LETTER FROM THE BOARD

stipulate that all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment, and every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. The full text of the proposed amendments to the Bye-laws is set out in resolution no. 8 of the notice of the AGM.

5. AGM

On pages 12 to 16 of this circular, you will find a notice convening the AGM at which the following resolutions will be proposed:

- an ordinary resolution to grant to the Board a general mandate to exercise all powers of the Company to repurchase Shares representing up to 10% of the issued share capital of the Company as at the date of the passing of the Repurchase Resolution;
- an ordinary resolution to grant to the Board a general mandate to exercise all powers of the Company to issue, allot and deal with Shares representing up to 20% of the issued share capital of the Company as at the date of the passing of such resolution; and
- an ordinary resolution to extend the general mandate which will be granted to the Board 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; and
- a special resolution to approve the proposed amendment to the Bye-laws.

6. RE-ELECTION OF RETIRING DIRECTORS

In accordance with the Bye-laws, Mr. Yuen Kin and Mr. Hou Ziqiang will retire by rotation at the AGM. All the above-mentioned retiring Directors, being eligible, will offer themselves for re-election. Information of the retiring Directors proposed for re-election as required to be disclosed under the Listing Rules is set out in Appendix II to this circular.

7. ACTION TO BE TAKEN

A proxy form for use at the AGM is enclosed with this circular. Whether or not you are able to attend the AGM, you are requested to complete the proxy form and return it to the head office and principal place of business of the Company at 9th Floor, Liven House, 61-63 King Yip Street, Kwun Tong, Kowloon, Hong Kong not less than 48 hours before the time appointed for holding the AGM or any adjourned meeting. Completion and return of the proxy form will not preclude you from attending and voting at the AGM or any adjourned meeting if you so wish.

LETTER FROM THE BOARD

8. RIGHT TO DEMAND A POLL

Bye-laws 70 to 73 set out the procedure under which a poll may be demanded. A resolution put to the vote of the meeting shall be decided on a show of hands 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:

- (i) by the Chairman of the meeting; or
- (ii) by at least three members of the Company present in person or by a duly authorized corporate representative or by proxy for the time being entitled to vote at the meeting; or
- (iii) by any member or members of the Company present in person or by a duly authorized corporate representative or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (iv) by any member or members of the Company present in person or by a duly authorized corporate 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.

On a show of hands, every member of the Company who is present in person or by a duly authorized corporate representative or by proxy shall have one vote, and on a poll every member of the Company present in person or, by a duly authorized corporate representative or by proxy shall have one vote for every share of which he is the holder which is fully paid up or credited as fully paid up. On a poll a member of the Company entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

9. RECOMMENDATION

The Board is pleased to recommend all the retiring Directors, details of whom are set out in Appendix II of this circular, for re-election at the AGM. The Board believes that the Repurchase Proposal, the general mandate for the Board to issue new Shares, the extension of the general mandate to issue Shares and the proposed amendment to the Bye-laws are all in the best interests of the Company and the Shareholders. Accordingly, the Board recommends that all shareholders should vote in favour of the resolutions to be proposed at the AGM.

Yours faithfully,
By Order of the Board
Ko Chun Shun, Johnson
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 Repurchase Proposal.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 323,422,204 Shares.

Subject to the passing of the Repurchase Resolution and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company would be allowed under the Repurchase Resolution to repurchase a maximum of 32,342,220 Shares.

2. REASONS FOR REPURCHASE

The Board believes that the Repurchase Proposal is in the best interests of the Company and the 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 and will only be made when the Board believes that such a repurchase will benefit the Company and the Shareholders.

3. FUNDING OF REPURCHASE

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association and bye-laws and the applicable laws of Bermuda. Bermuda law provides that the amount of capital repaid in connection with a share repurchase may only be paid out of the capital paid up on the relevant shares, or the funds of the Company that would otherwise be available for dividend or distribution of 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 account of the Company.

There might be an adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited financial statements contained in the annual report of the Company for the year ended 31 December 2007 in the event that the Repurchase Proposal was to be exercised in full at any time during the proposed repurchase period. However, the Board does not propose to exercise the Repurchase Proposal to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Board is from time to time appropriate for the Company.

4. SHARE PRICES

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

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2007		
April	5.500	4.180
May	5.390	5.070
June	5.390	4.800
July	5.440	4.820
August	6.330	4.660
September	6.910	5.830
October	6.120	5.530
November	6.200	5.050
December	6.150	5.050
2008		
January	5.770	4.410
February	5.000	4.660
March	4.750	3.810
April, up to the Latest Practicable Date	5.360	4.410

5. GENERAL

The Board has undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Resolution and 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, any of their associates (as defined in the Listing Rules), have any present intention to sell any Shares to the Company if the Repurchase Proposal is approved by the Shareholders.

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 have undertaken not to do so, in the event that the Repurchase Proposal is approved by the Shareholders.

If on the exercise of the power to repurchase Shares pursuant to the Repurchase Resolution, 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 Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, Mr. Ko Chun Shun, Johnson had corporate interests in 47,950,000 Shares representing approximately 14.83% of the issued share capital of the Company. In the event the Board exercises in full the power to repurchase Shares pursuant to the Repurchase Resolution, then (if the present shareholdings remain the same), the corporate interests of Mr. Ko Chun Shun, Johnson will increase to approximately 16.47% of the issued share capital of the Company. The Board is not aware of any consequences which may arise under the Takeovers Code as a result of any repurchases made under the Repurchase Proposal. In the event the power to repurchase shares pursuant to the Repurchase Resolution is exercised in full, the number of Shares held by the public would not fall below 25 percent.

6. SHARE REPURCHASES 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 followings are the particulars of the retiring Directors proposed to be re-elected at the AGM to be held on Monday, 2 June 2008:

1. Mr. Yuen Kin, aged 53, was appointed as an Independent Non-executive Director of the Company in March 2005. He is a member of the Audit Committee of the Company. Mr. Yuen holds a Master of Business Administration degree from the University of Toronto, Canada. He is a Chartered Accountant in Canada and is a FCPA in Hong Kong and FCCA in the United Kingdom. He is currently Managing Director of a private company, Sunray Trading Company Limited, engaging in trading of construction materials and furniture. Mr. Yuen is also an Independent Non-executive Director of Asian Union New Media (Group) Limited (stock code: 419) and MAE Holdings Limited (stock code: 851), both companies are listed on the Stock Exchange. Save as disclosed above, Mr. Yuen did not hold any directorship in other public listed company in Hong Kong in the three years prior to the date of this circular.

There is no service contract between the Company and Mr. Yuen. Mr. Yuen has been appointed for a fixed term expiring on 31 December 2008, subject to the requirements of the Bye-laws relating to the rotation and re-election of Directors.

A director's fee in the amount of HK\$200,000 was paid to Mr. Yuen for the year ended 31 December 2007. Mr. Yuen will be entitled to director's fees which will be determined by the remuneration committee, with reference to his duties, responsibilities and the prevailing market practice and his contribution in the Company, under the authority granted by the Shareholders at the annual general meeting of the Company.

As at the Latest Practicable Date, Mr. Yuen did not have any interests in the Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Yuen does not have any relationship with any other Director, senior management, substantial shareholder or controlling shareholder of the Company.

Save as disclosed above, there are no other matters concerning the re-election of Mr. Yuen that need to be brought to the attention of the Shareholders and there is no information that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

2. Mr. Hou Ziqiang, aged 70, was appointed as an Independent Non-executive Director of the Company in March 2005. He is a member of the Audit Committee of the Company. Mr. Hou is an independent non-executive director of China Netcom Group Corporation (Hong Kong) Limited (stock code: 906), a company listed on the Stock Exchange. Mr. Hou graduated from Peking University in 1958 with a Bachelor's degree in Physics. From 1993 to 1997, Mr. Hou was Director of the Institute of Acoustics of the Chinese Academy of Sciences. From 1988 to 1993, Mr.

Hou was Secretary General of the Chinese Academy of Sciences. Save as disclosed above, Mr. Hou did not hold any directorship in other public listed company in Hong Kong in the three years prior to the date of this circular.

There is no service contract between the Company and Mr. Hou. Mr. Hou has been appointed for a fixed term expiring on 31 December 2008, subject to the requirements of the Bye-laws relating to the rotation and re-election of Directors.

A director's fee in the amount of HK\$200,000 was paid to Mr. Hou for the year ended 31 December 2007. Mr. Hou will be entitled to director's fees which will be determined by the remuneration committee, with reference to his duties, responsibilities and the prevailing market practice and his contribution in the Company, under the authority granted by the Shareholders at the annual general meeting of the Company.

As at the Latest Practicable Date, Mr. Hou did not have any interests in the Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Hou does not have any relationship with any other Director, senior management, substantial shareholder or controlling shareholder of the Company.

Save as disclosed above, there are no other matters concerning the re-election of Mr. Hou that need to be brought to the attention of the Shareholders and there is no information that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

NOTICE OF AGM



VARITRONIX

VARITRONIX INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 710)

NOTICE IS HEREBY GIVEN that the annual general meeting of Varitronix International Limited (the “Company”) will be held at 9th Floor, Liven House, 61-63 King Yip Street, Kwun Tong, Kowloon, Hong Kong on Monday, 2 June 2008 at 10:00 a.m. for the following purposes:

1. To receive and consider the audited financial statements of the Company and its subsidiaries and the reports of the directors and the independent auditors for the year ended 31 December 2007.
2. To declare a final dividend for the year ended 31 December 2007.
3. To elect directors and to authorise the remuneration committee to fix their remuneration.
4. To re-appoint auditors and to authorise the board of directors to fix their remuneration.
5. As special business, to consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

ORDINARY RESOLUTION

“THAT:

- (a) subject to paragraph (b) of this resolution, 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\$0.25 each in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the shares of the Company may be listed and is 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 / or the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

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- (b) the aggregate nominal amount of shares of the Company which 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 share capital of the Company in issue as at the date of the 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 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 any applicable law or the Bye-laws of the Company to be held; and
 - (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, to pass the following resolution as an Ordinary Resolution:

ORDINARY RESOLUTION

“THAT:

- (a) subject to paragraph (c) of this resolution, 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\$0.25 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 power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution shall authorise 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 power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the directors of the Company pursuant to the approval in paragraph (a) of this resolution, otherwise than (i) a Rights Issue (as hereinafter defined), (ii) an issue of shares as scrip dividends pursuant to the

NOTICE OF AGM

bye-laws of the Company from time to time (iii) an issue of shares under any option scheme or similar arrangement for the time being adopted for the grant or issue of shares or rights to acquire shares of the Company; or (iv) an issue of shares upon 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, shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of 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 any applicable law or the Bye-laws of the Company to be held; and
 - (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.”

“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 recognised 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, to pass the following resolution as an Ordinary Resolution:

ORDINARY RESOLUTION

“**THAT** subject to the passing of the resolutions set out 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 set out 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 set out in item 5 of the notice convening this meeting (the “Repurchase Resolution”) 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 the passing of the Repurchase Resolution.”

NOTICE OF AGM

8. As special business, to consider and, if thought fit, to pass the following resolution as a Special Resolution:

SPECIAL RESOLUTION

“**THAT** the existing Bye-laws of the Company be and are hereby amended in the following manner:

(a) Bye-law 99(A)

By deleting the words “provided that no Director holding office as Chairman or Managing Director shall be subject to retirement by rotation or be taken into account in determining the number of Directors to retire” and substituting therefor the following words “provided that every Director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years”

(b) Bye-Law 102(A)

By adding the words “or the number of directors” immediately before the words “who are to retire by rotation at such meeting” in the last sentence.

(c) Bye-law 102(B)

By deleting the word “annual” in “annual general meeting” in the last fourth line and deleting “shall not be taken into account in determining the Directors who are to retire by rotation at such meeting” in the last two lines and substituting therefor “in the event that such general meeting is an annual general meeting of the Company, the Directors to retire at such general meeting pursuant to this Bye-law 102(B) shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at such annual general meeting pursuant to Bye-law 99(A).”

By Order of the Board
Ho Te Hwai, Cecil
Secretary

Hong Kong, 28 April 2008

NOTICE OF AGM

Notes:

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. To be valid, a proxy form, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited to the head office and principal place of business of the Company at 9th Floor, Liven House, 61-63 King Yip Street, Kwun Tong, Kowloon, Hong Kong not less than forty-eight hours before the appointed time for holding the meeting or any adjourned meeting.
3. The register of members of the Company will be closed from Monday, 2 June 2008 to Friday, 6 June 2008, both days inclusive, during which period no transfer of shares will be effected. To determine entitlements to the final dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:00 p.m. on Friday, 30 May 2008.