

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 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, 11 June, 2007 at 10:00 a.m. is set out on pages 12 to 15 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 9th Floor, 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, 18 May, 2007

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Chairmen	
1. Introduction	3
2. General Mandate to Repurchase Shares	3
3. General Mandate to Issue New Shares	4
4. Amendments to Existing Bye-laws	4
5. Annual General Meeting	4
6. Re-election of Retiring Directors	5
7. Action to be Taken	5
8. Right to Demand a Poll	5
9. Recommendation	5
Appendix I – Explanatory Statement	7
Appendix II – Details of Directors to be Re-elected	10
Notice of Annual General Meeting	12

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 at 9th Floor, Liven House, 61–63 King Yip Street, Kwun Tong, Kowloon, Hong Kong on Monday, 11 June, 2007 at 10:00 a.m., notice of which is set out on pages 12 to 15 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”	14 May, 2007, 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 percent 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 Annual General Meeting
“Share(s)”	share(s) of HK\$0.25 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

DEFINITIONS

“Special Resolution”	the proposed special resolution as referred to in item 8 of the notice of the Annual General Meeting
“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 CHAIRMEN



VARITRONIX

VARITRONIX INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 710)

Directors:-

Executive Directors:

Dr. Chang Chu Cheng (*Chairman*)

Johnson Ko Chun Shun (*Chairman*)

Tony Tsoi Tong Hoo

Cecil Ho Te Hwai

Independent Non-Executive Directors:

Dr. William Lo Wing Yan

Yuen Kin

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

18 May, 2007

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 Annual General Meeting.

2. GENERAL MANDATE TO REPURCHASE SHARES

At the annual general meeting of the Company held on 19 May, 2006, a general mandate was granted to the Board to exercise the powers of the Company to repurchase

LETTER FROM THE CHAIRMEN

Shares. Such mandate will lapse at the conclusion of the forthcoming Annual General Meeting. The Board proposes to seek your approval of the Repurchase Resolution 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 the Appendix I to this circular.

3. GENERAL MANDATE TO ISSUE NEW SHARES

Two ordinary resolutions will also be proposed at the Annual General Meeting namely an ordinary resolution granting to the Board 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 another ordinary resolution 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 percent of the issued share capital of the Company as at the date of the passing of the Repurchase Resolution.

4. AMENDMENTS TO THE BYE-LAWS

The Stock Exchange has announced certain amendments to the Listing Rules which came into effect on 1 March, 2006. Pursuant to paragraph 4(3) in Appendix 3 to the Listing Rules, the Company in general meeting shall have power by ordinary resolution to remove any Director before expiration of his period of office.

In this circumstances, in order to bring the Bye-laws in line with the Listing Rules, the Board proposes a special resolution at the Annual General Meeting to amend the existing bye-laws 97(A)(vi) and 104 of the Bye-laws to allow the Company to remove Directors by an ordinary resolution.

5. ANNUAL GENERAL MEETING

On pages 12 to 15 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 Board a general mandate to exercise all powers of the Company to repurchase Shares representing up to 10 percent 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 authorise the Board to issue, allot and deal with Shares representing up to 20 percent 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.
- a special resolution to approve the proposed amendment to the Bye-laws.

LETTER FROM THE CHAIRMEN

6. RE-ELECTION OF RETIRING DIRECTORS

In accordance with Bye-law 99 of the Bye-laws, Messrs. Tony Tsoi Tong Hoo and Cecil Ho Te Hwai will retire by rotation at the Annual General Meeting. All the above-mentioned retiring directors, being eligible, will offer themselves for re-election. In addition, Dr. Chang Chu Cheng will retire voluntarily and not seek for re-election at the Annual General Meeting. 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 Annual General Meeting is enclosed with this circular. Whether or not you are able 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 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 Annual General Meeting or any adjourned meeting. Completion and return of the proxy form will not preclude you from attending and voting at the Annual General Meeting or any adjourned meeting if you so wish.

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 Messrs. Tony Tsoi Tong Hoo and Cecil Ho Te Hwai, the retiring Directors, details of whom are set out in Appendix II of this circular, for re-election at the Annual General Meeting. The Board believes that the Repurchase Proposal,

LETTER FROM THE CHAIRMEN

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 its shareholders. Accordingly, the Board recommends that all shareholders should vote in favour of the resolutions to be proposed at the Annual General Meeting.

Yours faithfully,

By Order of the Board

Chang Chu Cheng **Johnson Ko Chun Shun**
Chairman *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 Annual General Meeting, 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 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 and will only be made when the Board believes that such a repurchase will benefit the Company and its 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 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 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, 2006 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 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>
May, 2006	6.400	5.150
June, 2006	5.300	4.150
July, 2006	4.675	4.320
August, 2006	4.710	4.300
September, 2006	5.100	4.600
October, 2006	5.050	4.560
November, 2006	4.720	4.470
December, 2006	4.550	3.520
January, 2007	4.540	3.780
February, 2007	4.510	4.080
March, 2007	4.300	3.950
April, 2007	5.500	4.180
1 May, 2007 to the Latest Practicable Date	5.390	5.070

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

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. Johnson Ko Chun Shun had corporate interests in 43,012,000 Shares representing approximately 13.3 percent 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. Johnson Ko Chun Shun will increase to approximately 14.8 percent of the issued share capital of the Company. The Board is 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 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 following is the particular of the retiring Directors proposed to be re-elected at the Annual General Meeting to be held on 11 June, 2007:

1. Mr. Tsoi Tong Hoo, Tony, aged 42, was appointed as an Executive Director and Chief Executive Officer of the Company on 14 March 2005 and is a director of various subsidiaries of the Group. Mr. Tsoi graduated from the Ivey Business School of the University of Western Ontario, Canada with an Honors degree in Business Administration in 1986. He has extensive experience in investment banking and corporate management. Mr. Tsoi is a member of the Listing Committees of the GEM and Main Boards of the Stock Exchange. Mr. Tsoi is currently an Executive Director of Hong Kong Pharmaceutical Holdings Limited (Stock code: 0182), and Non-executive Director of Asian Union New Media (Group) Limited (formerly known as Universal Holdings Limited; Stock code: 0419), both of which are listed on the Stock Exchange. Save as disclosed above, Mr. Tsoi did not hold any directorship in other public listed company in the three years prior to the date of this circular.

Mr. Tsoi has a service contract with the Company and such service contract will continue unless and until terminated by either party serving not less than three months' notice in writing. Mr. Tsoi is entitled to an annual remuneration of approximately HK\$2,400,000 (subject to yearly adjustment as determined by the Directors from time to time) payable on a monthly basis and a discretionary bonus and/or employee share options as determined by the Directors with reference to the performance and profitability of the Group.

As at the Latest Practicable Date, Mr. Tsoi had share options to subscribe for 3,000,000 Shares. Save as disclosed above, Mr. Tsoi did not have any interests in the Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Save for Mr. Tsoi's directorships in other listed companies as disclosed above, Mr. Tsoi 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. Tsoi 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. Ho Te Hwai, Cecil, aged 46, was appointed as an Executive Director and the Company Secretary of the Company on 14 March 2005 and is a director of various subsidiaries of the Group. Mr. Ho holds a Bachelor of Commerce degree from the University of British Columbia, Canada. Mr. Ho is a member of the Institute of Chartered Accountants of Canada and the Hong Kong Institute of Certified Public Accountants. In the last 3 years, he had been an

Executive Director of Huabao International Holdings Limited (Stock code: 0336) from 21 June 2002 to 17 April 2004 and its Company Secretary from 9 July 2002 to 29 March 2004. Mr. Ho had also been an independent non-executive director and an audit committee member of SMI Publishing Group Limited (formerly known as Leadership Publishing Group Limited; Stock code: 8010) from 25 February 2003 to 2 March 2004. Save as disclosed above, Mr. Ho did not hold any directorship in other public listed company in Hong Kong in the three years prior to the date of this circular.

Mr. Ho has a service contract with the Company and such service contract will continue unless and until terminated by either party serving not less than three months' notice in writing. Mr. Ho is entitled to an annual remuneration of approximately HK\$260,000 (subject to yearly adjustment as determined by the Directors from time to time) payable on a monthly basis and a discretionary bonus and/or employee share options as determined by the Directors with reference to the performance and profitability of the Group.

As at the Latest Practicable Date, Mr. Ho had share options to subscribe for 3,000,000 Shares. Save as disclosed above, Mr. Ho did not have any interests in the Shares within the meaning of Part XV of the Securities and Futures Ordinance. Mr. Ho 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. Ho 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 ANNUAL GENERAL MEETING



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, 11 June, 2007 at 10:00 a.m. for the following purposes:-

1. To receive and consider the audited financial statements and the reports of the directors and auditors of the Company for the year ended 31 December, 2006.
2. To declare a final dividend for the year ended 31 December, 2006.
3. To elect directors and to authorise the board of directors 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;
- (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 percent 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

NOTICE OF ANNUAL GENERAL MEETING

- (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 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

NOTICE OF ANNUAL GENERAL MEETING

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 percent 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; 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 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

NOTICE OF ANNUAL GENERAL MEETING

Resolution”), provided that such amount of shares so repurchased shall not exceed 10 percent of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of the Repurchase Resolution.”

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 97(A)(vi)

By deleting the words “a Special Resolution” in Bye-law 97(A)(vi) and substituting therefor the words “an Ordinary Resolution”.

- (B) Bye-law 104

By deleting the words “Special Resolution at a special general meeting called for the purpose” in Bye-law 104 and substituting therefor the words “Ordinary Resolution”.

By Order of the Board
Cecil Ho Te Hwai
Secretary

Hong Kong, 18 May, 2007

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, 11 June, 2007 to Friday, 15 June, 2007, 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, 8 June, 2007.
4. With regard to item 3 of the notice of Annual General Meeting, the Board of Directors of the Company proposes that the retiring Directors, namely Messrs. Tony Tsoi Tong Hoo and Cecil Ho Te Hwai be re-elected as director of the Company. Details of the retiring Directors proposed for re-election are set out in the Appendix II of the circular to shareholders dated 18 May, 2007.
5. An explanatory statement as required by the Listing Rules in connection with the general mandate to directors of the Company to repurchase shares of the Company is set out in the Appendix I of the circular to shareholders dated 18 May, 2007.