



VARITRONIX

VARITRONIX INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 710)

NOTICE OF ANNUAL GENERAL MEETING

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
- (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 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 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.

As at the date of this announcement, the board of Directors comprises seven Directors, of whom Dr. Chang Chu Cheng, Mr. Johnson Ko Chun Shun, Mr. Tony Tsoi Tong Hoo and Mr. Cecil Ho Te Hwai are Executive Directors and Dr. William Lo Wing Yan J.P., Mr. Yuen Kin and Mr. Hou Ziqiang are Independent Non-executive Directors.

“Please also refer to the published version of this announcement in The Standard.”