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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

This circular, for which the directors of JF Household Furnishings Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to JF Household Furnishings Limited. The directors of JF Household Furnishings Limited, having made all reasonable enquiries, confirmed that, to the best of their knowledge and belief, (i) the information contained in the circular are accurate and complete in all material aspects and not misleading; (ii) there are no other matters the omission of which would make any statement herein misleading; and (iii) all opinions expressed in this circular have been arrived at after due and careful consideration on the basis and assumptions of reasonableness and fairness.

**If you are in doubt** as to any aspect of this circular, 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 JF Household Furnishings Limited, you should at once hand this circular and the accompanying proxy form to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for transmission to the purchaser or the transferee.

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### **JF Household Furnishings Limited** **捷豐家居用品有限公司**

*(incorporated in the Cayman Islands with limited liability)*

(Stock code: 8310)

#### **GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES, RE-ELECTION OF DIRECTORS AND NOTICE OF ANNUAL GENERAL MEETING**

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This circular will remain on the GEM website at [www.hkgem.com](http://www.hkgem.com) on the "Latest Company Announcements" page for at least 7 days from the date of its posting.

Whether or not you intend to attend the annual general meeting of JF Household Furnishings Limited, you are requested to complete and return the accompanying proxy form to the share registrar of JF Household Furnishings Limited, Tricor Investor Services Limited, 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time appointed for holding the annual general meeting of JF Household Furnishings Limited. The return of the proxy form will not preclude you from attending and voting in person in the annual general meeting of JF Household Furnishings Limited if you so wish.

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## **CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET OF THE STOCK EXCHANGE OF HONG KONG LIMITED**

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GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the Internet website operated by The Stock Exchange of Hong Kong Limited. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website at [www.hkgem.com](http://www.hkgem.com) in order to obtain up-to-date information on GEM-listed issuers.

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## LETTER FROM THE BOARD

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# JF Household Furnishings Limited 捷豐家居用品有限公司

(incorporated in the Cayman Islands with limited liability)  
(Stock code: 8310)

*Executive Directors:*

Mr. Yan Siu Wai  
Mr. Leung Kwok Yin  
Mr. Bao Jisheng

*Independent non-executive Directors:*

Mr. Kwan Kai Cheong  
Mr. Garry Alides Willinge  
Mr. Yu Hon Wing Allan

*Registered office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Head office and principal place  
of business in Hong Kong:*

15th Floor, EIB Tower  
4-6 Morrison Hill Road  
Wanchai  
Hong Kong  
31 March 2008

*To the shareholders*

Dear Sir or Madam,

### GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES, RE-ELECTION OF DIRECTORS AND NOTICE OF ANNUAL GENERAL MEETING

#### INTRODUCTION

At the annual general meeting for the year ended 31 December 2007 (the “AGM”) of JF Household Furnishings Limited (the “Company”) to be held at Basement 2, The Charterhouse, 209-219 Wanchai Road, Hong Kong on 25 April 2008 at 4:00 p.m., resolutions will be proposed to grant to the directors (the “Directors”) of the Company general mandates to allot and issue new shares of the Company and to repurchase shares of the Company. Resolutions will also be proposed to re-elect the Directors in accordance with the articles of association of the Company. This circular contains the explanatory statement in compliance with the Rules (the “GEM Listing Rules”) Governing the Listing of Securities on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and to give all the information reasonably necessary to enable shareholders of the Company to make an informed decision on whether to vote for or against the resolutions.

#### GENERAL MANDATES

At the AGM, ordinary resolutions will be proposed to renew the general mandates given to the Directors (a) to allot, issue and deal with shares (“Shares”) of HK\$0.01 each in the share capital of the Company (“Issue Mandate”) with a total nominal amount of not more than the sum of 20% of the total nominal amount of the share capital of the Company in issue at the date of passing of the resolution; (b) to exercise all the powers of the Company to repurchase Shares (“Repurchase Mandate”) with a total nominal amount of not more than 10% of the total nominal amount of the share capital of the Company in issue at the date of passing of the resolution; and (c) to add the aggregate nominal amount of the number of Shares repurchased under the Repurchase Mandate to the aggregate nominal amount of Shares that may be allotted and issued pursuant to the resolution to issue Shares as stated in (a) above.

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## LETTER FROM THE BOARD

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On 26 March 2008 (the “**Latest Practicable Date**”), being the latest practicable date prior to the printing of this circular, there were in issue an aggregate of 170,940,000 Shares. Assuming no new Shares would be issued or repurchased prior to the date of the AGM, up to 34,188,000 Shares, representing 20% of the issued share capital of the Company as at the Latest Practicable Date may be issued in accordance with the Issue Mandate. Exercise in full of the Repurchase Mandate, on the basis that no further Shares would be issued or repurchased prior to the date of the AGM, would result in up to 17,094,000 Shares, representing 10% of the issued share capital of the Company as at the Latest Practicable Date, being repurchased by the Company.

Each of the Issue Mandate and the Repurchase Mandate will be effective during the period commencing from the date of passing of the resolution and ending on the earliest of (a) the conclusion of the next annual general meeting of the Company; (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable Cayman Islands law to be held; or (c) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking, varying or renewing the authority given to the Directors under the relevant resolution.

### EXPLANATORY STATEMENT

An explanatory statement containing all relevant information relating to the proposed Repurchase Mandate is set out in the Appendix to this circular. The information in the explanatory statement provides you with information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolution to grant to the Directors the Repurchase Mandate.

### RE-ELECTION OF DIRECTORS

As at the date of this circular, the executive Directors are Mr. Yan Siu Wai, Mr. Leung Kwok Yin and Mr. Bao Jisheng and the independent non-executive Directors are Mr. Kwan Kai Cheong, Mr. Garry Alides Willinge and Mr. Yu Hon Wing Allan.

Pursuant to Article 87 of the articles of association of the Company, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third), shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. Mr. Leung Kwok Yin and Mr. Garry Alides Willinge shall retire by rotation at the forthcoming AGM in accordance with the articles of association of the Company. Mr. Leung Kwok Yin and Mr. Garry Alides Willinge will retire and being eligible, offer themselves for re-election at the AGM. The Directors confirm that such arrangement is in compliance with the GEM Listing Rules.

#### Mr. Leung Kwok Yin

Mr. Leung Kwok Yin (梁國賢), aged 55, is one of the co-founders of the Group. Mr. Leung is also a director of all subsidiaries of the Group. Mr. Leung is responsible for product development, materials sourcing and marketing of the Group. Mr. Leung graduated from Hong Kong Polytechnic University (formerly known as the “Hong Kong Polytechnic”) in 1975 with a technician diploma in electrical engineering. Mr. Leung has been partnering with Mr. Yan Siu Wai for investments in the PRC for approximately 27 years and has built substantial manufacturing and distribution experiences in the PRC. Mr. Leung is also a director of Multistack International Limited, a company listed on the Australian Stock Exchange. Mr. Leung was previously an independent non-executive director of Omnitech Holding Limited, a company listed on the Australian Stock Exchange, of which he has resigned with effect from 1 September 2005. Mr. Leung also held directorships and shareholding in other private companies, some of which are jointly invested with Mr. Yan Siu Wai.

As at the Latest Practicable Date, Mr. Leung is interested in 53,356,800 Shares within the meaning of Part XV of the SFO, which comprised of 50,400,000 Ordinary Shares and options to subscribe for 2,956,800 Shares granted under the Pre-IPO Share Option Scheme adopted by the then shareholders of the Company by written resolutions passed on 8 September 2005. Among the 50,400,000 Ordinary Shares, (i) 22,680,000 Shares were registered in the name of Hero Talent Investments Limited (“**Hero Talent**”); (ii) 12,600,000 Shares were registered in the name of Joyday Consultants Limited (“**Joyday**”); and (iii) the remaining 15,120,000 Shares were registered in the name of Mr. Leung directly. Each of Hero Talent and Joyday is a company incorporated in the BVI and whose entire issued capital is solely owned by Mr. Leung. Save as disclosed above, Mr. Leung does not have any other relationship with any directors, senior management, management shareholders, substantial shareholders or controlling shareholder of the Company.

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## LETTER FROM THE BOARD

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The Company and Mr. Leung entered into a service contract on 8 September 2005 in relation to Mr. Leung's appointment as an executive Director for an initial term of 3 years commenced from 8 September 2005 and expiring on 7 September 2008 which term is renewable automatically for successive terms of one year each commencing from the day next after the expiry of the then current term of their appointment, unless terminated by not less than 6 months' notice in writing served by either party at the end of the initial term or at any time thereafter. Pursuant to the service contract, Mr. Leung is entitled to receive a salary of HK\$18,000 per month and a discretionary annual bonus. The salary of Mr. Leung is determined with reference to his experience and responsibilities.

### **Mr. Garry Alides Willinge**

Mr. Garry Alides Willinge, aged 58, is a fellow of the Australian Institute of Company Directors and a fellow of the Hong Kong Institute of Directors. He is also an Adjunct Professor with the Curtin Business School. He graduated from the University of Melbourne, Australia in 1970 with a Bachelor of Science. In 1996, he also obtained a Graduate Diploma in Applied Finance and Investment from the Securities Institute Education in Australia (now known as "The Securities Institute of Australia"). Mr. Willinge is also an independent non-executive director of China Medical and Bio Science Limited (formerly known as "China Medical Science Limited"), a company listed on the GEM. Prior to joining the Group, he has worked in a number of management roles in a multinational information technology company.

Mr. Willinge was appointed as an independent non-executive Director on 8 March 2005 with an initial term of appointment of 30 months commenced from 8 March 2005 which term had expired on 7 September 2007 ("**Initial Term**"). Following the expiration of the Initial Term, Mr. Willinge's appointment had been renewed for a further term of 24 months commenced from 8 September 2007 ("**Renewed Term**") which may be terminated by serving at least 3 months' prior notice in writing unless otherwise mutually agreed between Mr. Willinge and the Company. During both of the Initial Term and Renewed Term, Mr. Willinge is entitled to receive a fee of HK\$100,000 per annum which is determined with reference to his experience and estimated time to be spent. Mr. Willinge is also a member of the audit committee and remuneration committee of the Company. Mr. Willinge does not have any relationship with any directors, senior management, management shareholders, substantial shareholders or controlling shareholder of the Company.

Save as disclosed above, (i) there is no information to be disclosed pursuant to any of the requirements of Rule 17.50(2) of the GEM Listing Rules; and (ii) there is no other matters that need to be brought to the attention of holder of securities of the Company.

### **PROCEDURES BY WHICH A POLL MAY BE DEMANDED**

A resolution put to the vote of a meeting shall be decided on a show of hands unless voting by way of a poll is required by the rules of the Stock Exchange or (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (a) by the chairman of such meeting; or
- (b) by at least three shareholders of the Company (the "Shareholders") present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
- (c) by a Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or
- (d) by a Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised 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 shares conferring that right; or
- (e) if required by the rules of the Stock Exchange, by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five per cent. (5%) or more of the total voting rights at such meeting.

A demand by a person as proxy for a Shareholder or in the case of a Shareholder being a corporation by its duly authorised representative shall be deemed to be the same as a demand by a Shareholder.

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## LETTER FROM THE BOARD

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### GENERAL INFORMATION

The notice for the AGM is set out in pages 9 to 11 of this circular.

Whether or not you intend to attend the AGM in person, you are requested to complete and return the accompanying proxy form to the share registrar of the Company, Tricor Investor Services Limited, 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time appointed for holding the AGM. The return of the proxy form will not preclude you from attending and voting in person if you so wish.

### RECOMMENDATION

The Directors consider that the general mandates to issue and repurchase shares and the re-election of Directors proposed are in the interest of the Company and so recommend you to vote in favour of the relevant resolutions at the forthcoming AGM.

Yours faithfully  
By order of the Board  
**JF Household Furnishings Limited**  
**Yan Siu Wai**  
*Chairman and Executive Director*

This is an explanatory statement given to all Shareholders of the Company, as required by the GEM Listing Rules, to provide requisite information of the Repurchase Mandate.

## 1. GEM LISTING RULES FOR REPURCHASES OF SHARES

### (a) GEM Listing Rules

The GEM Listing Rules permit companies with a primary listing on GEM to repurchase their securities on GEM subject to certain restrictions, the most important of which are summarised below:

#### (i) *Shareholders' approval*

All proposed repurchases of securities (which must be fully paid up in the case of shares) by a company with a primary listing on GEM must be approved in advance by an ordinary resolution of the Shareholders, either by way of general mandate or by specific approval of a particular transaction.

#### (ii) *Source of funds*

Repurchases must be paid out of funds legally available for the purpose in accordance with the Company's memorandum and articles of association and the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) (the "**Companies Law**") of the Cayman Islands. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time. Under Cayman Islands law, repurchases by the Company may only be made out of profits of the Company or out of the proceeds of a fresh issue of shares made for the purpose, or, if so authorised by its articles of association and subject to the provisions of the Companies Law, out of capital. Any premium payable on a purchase over the par value of the shares to be purchased must be provided for out of the profits of the Company or out of the Company's share premium account, or, if so authorised by its articles of association and subject to the provisions of the Companies Law, out of capital.

### (b) Reasons for repurchases

Repurchases of Shares will only be made when the Directors believe that such repurchase is in the best interest of the Company and its Shareholders. The Directors have no present intention to repurchase any Shares but consider that the Repurchase Mandate will provide the Company with flexibility to make such repurchase as and when appropriate and is beneficial to the Company. Such repurchases may, depending on market conditions and funding arrangements at that time, lead to an enhancement of the net asset value per Share and/or earnings per Share.

### (c) Funding of repurchases

In repurchasing securities, the Company may only apply funds legally available for such purpose in accordance with its memorandum and articles of association, the GEM Listing Rules and the applicable laws and regulations of the Cayman Islands.

On the basis of the current financial position of the Group as disclosed in the Company's financial statements for the year ended 31 December 2007 (being the most recent published audited accounts) ("**Financial Statements**") and taking into account the current working capital position of the Group, the Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of the Group as compared with the position disclosed in the Financial Statements. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Group or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Group.

Under the Repurchase Mandate, the number of Shares that the Company may repurchase shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company at the date of the passing of the relevant resolutions. As at the Latest Practicable Date, there were in issue an aggregate of 170,940,000 Shares. The exercise in full of the Repurchase Mandate on the basis of 170,940,000 Shares in issue and that no further Shares would be issued or repurchased prior to the date of the AGM, would accordingly result in up to 17,094,000 Shares, representing 10% of the issued share capital of the Company as at the Latest Practicable Date being repurchased by the Company during the period in which the Repurchase Mandate remains in force.

**(d) Connected persons**

None of the Directors nor, to the best of the knowledge and belief of the Directors having made all reasonable enquiries, any of the associates (as defined in the GEM Listing Rules) of any of the Directors has any present intention, in the event that the proposed Repurchase Mandate is approved by the Company's Shareholders, to sell Shares to the Company.

At the Latest Practicable Date, no connected person (as defined in the GEM Listing Rules) of the Company has notified the Company that he/she has a present intention to sell Shares to the Company nor has he/she undertaken not to sell any of the Shares held by him/her to the Company in the event that the Company is authorised to make repurchases of Shares.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchase pursuant to the Repurchase Mandate and in accordance with the GEM Listing Rules, the memorandum and articles of association of the Company and any applicable laws of the Cayman Islands.

**(e) Effect of Takeovers Code and minimum public float**

If as a result of a repurchase of Shares, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of Rule 32 of the Hong Kong Code on Takeovers and Mergers ("**Takeovers Code**"). As a result, a shareholder, or a group of shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the shareholder's interests, could obtain or consolidate control of the Company and become(s) obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.



As at the Latest Practicable Date, the register of shareholders maintained by the Company pursuant to Section 336 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (“SFO”) showed that the Company has been notified of the following interests, being 5% or more of the Company’s issued share capital:

Name of Shareholder	Number and class of securities	Approximate percentage of existing shareholding	Approximate percentage of shareholding if the Repurchase Mandate is exercised in full
Excel Strength Investments Limited (“Excel Strength”) (Note 1)	34,020,000 ordinary shares	19.90%	22.11%
Willhero Investments Limited (“Willhero”) (Note 1)	28,980,000 ordinary shares	16.95%	18.84%
Hero Talent Investments Limited (“Hero Talent”) (Note 2)	22,680,000 ordinary shares	13.27%	14.74%
Joyday Consultants Limited (“Joyday”) (Note 2)	12,600,000 ordinary shares	7.37%	8.19%
Yan Siu Wai (Note 3)	75,600,000 ordinary shares	44.23%	49.14%
Leung Kwok Yin (Note 4)	50,400,000 ordinary shares	29.48%	32.76%

*Notes:*

- Each of Excel Strength and Willhero is a company incorporated in the British Virgin Islands and whose entire issued capital is solely owned by Mr. Yan Siu Wai.
- Each of Hero Talent and Joyday is a company incorporated in the BVI and whose entire issued capital is solely owned by Mr. Leung Kwok Yin.
- The number of Shares represents the total number of Shares to be held by Mr. Yan Siu Wai directly and through Excel Strength and Willhero indirectly.
- The number of Shares represents the total number of Shares to be held by Mr. Leung Kwok Yin directly and through Hero Talent and Joyday indirectly.

In the event that the Directors shall exercise in full the Repurchase Mandate, the total interests of the above Shareholders would be increased to approximately the respective percentages shown in the last column above and such increase will give rise to an obligation on the part of each of Mr. Yan Siu Wai and Mr. Leung Kwok Yin to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors have no intention to exercise the Repurchase Mandate to the extent that will give rise to an obligation to make a mandatory offer pursuant to Rule 26 and Rule 32 of the Takeovers Code.

Assuming that there is no issue of Shares between the Latest Practicable Date and the date of a repurchase, an exercise of the Repurchase Mandate in whole will result in less than the relevant prescribed minimum percentage, presently being 25%, of the Shares being held by the public as required by the Stock Exchange. The Directors have no intention to exercise the Repurchase Mandate to an extent as may result in a public shareholding of less than such prescribed minimum percentage.

**2. SHARE PURCHASE MADE BY THE COMPANY**

The Company had not repurchased any of the Shares during the previous six months immediately preceding the Latest Practicable Date.

**3. SHARE PRICES**

During each of the previous 12 months, the highest and lowest traded prices for the Shares on GEM were as follows:

<b>Month</b>	<b>Per Share</b>	
	<b>Highest HK\$</b>	<b>Lowest HK\$</b>
<b>2007</b>		
March	0.730	0.720
April	0.750	0.500
May	0.870	0.670
June	1.530	0.770
July	1.410	1.000
August	1.250	0.700
September	1.120	1.000
October	1.000	0.800
November	1.100	0.800
December	1.000	0.900
<b>2008</b>		
January	1.000	0.720
February	1.000	0.800

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## NOTICE OF ANNUAL GENERAL MEETING

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### JF Household Furnishings Limited 捷豐家居用品有限公司

*(incorporated in the Cayman Islands with limited liability)*

(Stock code: 8310)

#### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Annual General Meeting of JF HOUSEHOLD FURNISHINGS LIMITED (the “**Company**”) will be held at Basement 2, The Charterhouse, 209-219 Wanchai Road, Hong Kong on 25 April 2008 at 4:00 p.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements and the reports of the directors and auditors for the year ended 31 December 2007.
2. To re-appoint auditors and to authorise the board of directors of the Company (the “**Board of Directors**”) to fix their remuneration.
3. To consider and declare a final dividend for the year ended 31 December 2007;
4. As special business, to consider and if thought fit, pass the following resolutions as ordinary resolutions:

(A) “**THAT**

- (i) subject to sub-paragraph (iii) of this Resolution and pursuant to the Rules Governing the Listing of Securities on the Growth Enterprise Market (“**GEM Listing Rules**”), the exercise by the directors of the Company (“**Directors**”) during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and otherwise deal with unissued shares in the capital of the Company and to make or grant offers, agreements and options which may require the exercise of such powers be and it is hereby generally and unconditionally approved;
- (ii) the approval in sub-paragraph (i) of this Resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which may require the exercise of such powers at any time during or after the expiry of the Relevant Period;
- (iii) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in sub-paragraph (i) of this Resolution, otherwise than pursuant to (a) a Rights Issue (as defined below); or (b) the exercise of any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries and/or other eligible persons of Shares or rights to acquire Shares of the Company; or (c) any issue of Shares upon exercise of rights of subscription or conversion attaching to any warrants of the Company or any securities which are convertible into Shares; or (d) any scrip dividend scheme or similar arrangement providing for allotment of shares in lieu of the whole or part of any dividend in accordance with the Articles of Association, shall not exceed the sum of:
  - (AA) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of this Resolution; and
  - (BB) (if the Directors are so authorised by a separate resolution of the shareholders of the Company) the aggregate nominal amount of any share capital of the Company purchased by the Company subsequent to the passing of this Resolution up to a maximum of 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of this Resolution;

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## NOTICE OF ANNUAL GENERAL MEETING

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and the said approval shall be limited accordingly;

- (iv) for the purposes of this Resolution, “**Rights Issue**” means an offer of shares in the capital of the Company or an offer or issue of warrants or options or similar instruments to subscribe for shares in the capital of the Company open for a period fixed by the Directors to shareholders of the Company whose names appear on the Company’s register of members on a fixed record date in proportion to their then holdings of shares in the Company (subject to such exclusions or other arrangements as the Directors 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, or in any territory outside Hong Kong or the expense or delay that may be incurred in the determination of any such restrictions or obligations); and
- (v) for the purposes of this Resolution, “**Relevant Period**” means the period from the passing of this Resolution until whichever is the earliest of:
  - (a) the conclusion of the next annual general meeting of the Company;
  - (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable Cayman Islands law to be held; or
  - (c) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking, varying or renewing the authority given to the Directors under this Resolution.”

(B) “**THAT**

- (i) subject to sub-paragraph (ii) of this Resolution, the exercise by the Directors during the Relevant Period (as defined below) of all powers of the Company to purchase its Shares on the Stock Exchange or on any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose be and is hereby generally and unconditionally approved;
- (ii) the aggregate nominal amount of shares in the capital of the Company which may be purchased or agreed to be purchased by the Company pursuant to the authority granted under sub-paragraph (i) of this Resolution during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of this Resolution and the authority pursuant to sub-paragraph (i) of this Resolution shall be limited accordingly; and
- (iii) for the purpose of this Resolution, “**Relevant Period**” shall have the same meanings as ascribed to it under sub-paragraph (v) of the Resolution no. 4(A) above.”

(C) “**THAT** conditional upon Resolutions no. 4(A) and 4(B) being passed, the general mandate granted to the Directors pursuant to Resolution no. 4(A) above be and it is extended by the addition to the aggregate nominal amount of the Shares which may be allotted, issued or otherwise dealt with by the Directors pursuant to or in accordance with such mandate of an amount representing the aggregate nominal amount of the Shares in the capital of the Company purchased by the Company pursuant to or in accordance with the authority granted under Resolution no. 4(B) above.”

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## NOTICE OF ANNUAL GENERAL MEETING

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5. (A) To re-elect the following Directors of the Company:
- (i) Mr. Leung Kwok Yin; and
  - (ii) Mr. Garry Alides Willinge.
- (B) To authorise the Board of Directors to fix the remuneration of the Directors.

On behalf of the Board  
**Cheung Wai Tak**  
*Company Secretary*

Hong Kong, 31 March 2008

*Notes:*

- (1) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and, in the event of, a poll, vote instead of him. A proxy needs not be a member of the Company.
- (2) In order to be valid, the form of proxy must be deposited with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, together with any power of attorney or other authority, under which it is signed, or a notarially certified copy of that power or authority, not less than 48 hours before the time for holding the meeting. Completion and return of the proxy form will not preclude any member from attending and voting in person at the meeting should he so wishes.
- (3) Where there are joint holders of any shares in the Company, any one of such joint holders may vote, either in person or by proxy, in respect of such shares as if he were solely entitled thereto, but if more than one of such joint holders are present at the meeting, the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register in respect of the joint holding.
- (4) The transfer books and register of members of the Company will be closed from 23 April 2008 to 25 April 2008 (both days inclusive). During such period, no transfer of shares will be registered. In order to qualify for the proposed final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the share registrar of the Company in Hong Kong, Tricor Investor Services Limited at the above address no later than 4:30 p.m. on 22 April 2008.