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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other independent professional adviser.

If you have sold or transferred all your shares in the Company, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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senyuan

SENYUAN INTERNATIONAL HOLDINGS LIMITED

森源國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3333)

**GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES,
PROPOSED RE-ELECTION OF DIRECTORS,
PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION
AND NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of Senyuan International Holdings Limited to be held at Salon 2, B3, Ritz Carlton Hotel, 3 Connaught Road, Central, Hong Kong on Monday, 29 May 2006 at 11:30 a.m. is set out in Appendix III of this circular. Whether or not you are able to attend the meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong in accordance with the instructions printed thereon as soon as possible but in any event not later than 48 hours before the time appointed for the holding of such meeting or any adjourned meeting. Completion and return of the form of proxy will not preclude you from subsequently attending and voting in person at the annual general meeting or any adjourned meeting should you so wish.

27 April 2006

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at Salon 2, B3, Ritz Carlton Hotel, 3 Connaught Road, Central, Hong Kong on Monday, 29 May 2006 at 11:30 a.m. or any adjournment thereof (as the case may be);
“AGM Notice”	the notice dated 27 April 2006 convening the AGM as set out on pages 13 to 17 of this circular;
“Articles”	the Articles of Association of the Company adopted on 31 May 2005;
“Board” or “Directors”	the board of directors of the Company;
“Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands;
“Company”	Senyuan International Holdings Limited, a company incorporated in the Cayman Islands whose shares are listed on the Stock Exchange;
“General Mandate”	the proposed general mandate granted to the Directors to exercise all the powers of the Company to allot, issue and otherwise deal with new Shares not exceeding the aggregate of 20% of the issued share capital of the Company as at the date of passing the resolution approving the said mandate;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Lanling Electrical”	Lanling Electrical Ltd., a company incorporated in the British Virgin Islands and as at the Latest Practicable Date, wholly owned by Mr. Zhou Anmin;
“Latest Practicable Date”	25 April 2006, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

DEFINITIONS

“Repurchase Mandate”	the proposed general mandate to the Directors to exercise the powers of the Company to repurchase Shares up to a maximum of 10% of the issued share capital of the Company in aggregate, as at the date of the passing of the resolution granting such mandate;
“PRC”	the People’s Republic of China;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	the registered holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Substantial Shareholder(s)”	the same meaning ascribed to that term under Rule 1.01 of the Listing Rules;
“SY International”	Senyuan International Limited, a company incorporated in the British Virgin Islands and as at the Latest Practicable Date, owned as to 50% and 50% by Tai Ah International and Lanling Electrical respectively;
“Tai Ah International”	Tai Ah International Limited, a company incorporated in the British Virgin Islands and as at the Latest Practicable Date, owned as to 75% by Mr. Tsang Shui Ching, Patrick;
“Takeovers Code”	The Codes on Takeovers and Mergers and Shares Repurchases; and
“%”	per cent.

LETTER FROM THE BOARD

senyuan

SENYUAN INTERNATIONAL HOLDINGS LIMITED
森源國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 3333)

Executive Directors:

Mr. Tsang Shui Ching, Patrick
Mr. Zhou Anmin
Mr. Lou Chong Wei
Mr. Shu Yi Jin

Independent Non-executive Directors:

Mr. Keung Ping Yin, Raymond
Mr. Wong Yiu Sun, Peter
Mr. Lu Yan Sun

Registered Office:

Century Yard, Cricket Square
Hutchins Drive
P.O. Box 2681 GT
George Town, Grand Cayman
British West Indies

Head Office and Principal Place of

Business in the PRC:
1 West Hengtanghe Road
External-oriented Agricultural
Development Zone
Changzhou, Jiangsu Province
The PRC

*Principal Place of Business
in Hong Kong:*

Rooms 1105-1109, Jardine House
1 Connaught Place
Central
Hong Kong

27 April 2006

To the Shareholders

Dear Sir or Madam,

**GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES,
PROPOSED RE-ELECTION OF DIRECTORS,
PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION
AND NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to give you information regarding the following resolutions to be proposed at the AGM to enable the Shareholders to make an informed decision on whether to vote for or against the resolutions.

LETTER FROM THE BOARD

The resolutions include (i) the grant of the Repurchase Mandate; (ii) the grant of the General Mandate; (iii) the re-election of directors; and (iv) the amendments to the Articles.

GENERAL MANDATE TO REPURCHASE SHARES

At the AGM, an ordinary resolution will be proposed to grant to the Directors a general and unconditional mandate to exercise all powers of the Company to repurchase issued shares in the share capital of the Company subject to the criteria set out in this circular. In particular, Shareholders should note that the maximum number of shares that may be repurchased pursuant to the Repurchase Mandate will be such number which represents 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the resolution subject to the Listing Rules. The Repurchase Mandate will end on the earliest of the date of the next annual general meeting, the date by which the next annual general meeting of the Company is required to be held by the Companies Law or the Articles, or the date upon which such authority is revoked or varied by ordinary resolution of the Company in general meeting.

In accordance with the Listing Rules, the Company is required to send to the Shareholders an explanatory statement, which is set out in Appendix I to this circular.

GENERAL MANDATE TO ISSUE SHARES

At the AGM, an ordinary resolution will be proposed to grant to the Directors a general and unconditional mandate to allot, issue and deal with further shares representing up to 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the resolution. The General Mandate will end on the earliest of the date of the next annual general meeting, the date by which the next annual general meeting of the Company is required to be held by the Companies Law or the Articles, or the date upon which such authority is revoked or varied by ordinary resolution of the Company in general meeting.

Subject to the passing of the aforesaid ordinary resolutions of the Repurchase Mandate and the General Mandate, an ordinary resolution will also be proposed to authorise the Directors to issue new shares in the share capital of the Company in an amount not exceeding the aggregate nominal amount of the shares in the capital of the Company purchased pursuant to the Repurchase Mandate.

RE-ELECTION OF DIRECTORS

Details of the retiring directors who are proposed to be re-elected at the AGM pursuant to Article 87 of the Articles are provided in Appendix II to this circular.

AMENDMENTS TO ARTICLES OF ASSOCIATION

To bring the Articles to comply with the Code of Corporate Governance Practices of the Listing Rules which came into effect on 1 January 2005 and the subsequent amendments to the Listing Rules in respect of the requirements of articles of association of companies listed on the Stock Exchange which came into effect on 1 March 2006, the Board proposes to amend the Articles in compliance with the Listing Rules.

LETTER FROM THE BOARD

The amendments to the Articles proposed by the Board are as follows:—

- (a) requiring that any director appointed by the Board should be subject to election by Shareholders at the first general meeting of the Company after such Director's appointment;
- (b) specifying that directors can be removed by ordinary resolutions; and
- (c) specifying that any director appointed by the Board shall not be taken into account in determining which particular directors or the number of directors who are to retire by rotation in the next annual general meeting immediately following his appointment.

At the AGM, a special resolution will be proposed to approve the proposed amendments to the Articles. Set out in the notice of AGM in Appendix III to this circular are the full text of the amendments to the Articles that are proposed.

ANNUAL GENERAL MEETING

A notice of the AGM is set out in Appendix III to this circular. At the AGM, resolutions will be proposed to approve the Repurchase Mandate and the General Mandate, the re-election of directors and the amendments to the Articles.

PROCEDURE FOR DEMANDING A POLL

Pursuant to Article 66 of the Articles, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands) a poll is demanded:

- (a) by the chairman of such meeting; or
- (b) by at least three 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 Designated 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 authorized representative shall be deemed to be the same as a demand by a Shareholder.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors are of opinion that the granting of the Repurchase Mandate and the General Mandate, the re-election of directors and the amendments to the Articles as proposed therein are in the best interests of the Company and accordingly recommend all the Shareholders to vote in favour of the ordinary resolutions and the special resolution to be proposed at the AGM.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement contained herein misleading.

By order of the Board
Senyuan International Holdings Limited
Tsang Shui Ching, Patrick
Chairman

This Appendix contains the particulars that are required by the Listing Rules to be included in an explanatory statement to enable the Shareholders to make an informed decision on whether to vote for or against the resolutions to be proposed at the AGM in relation to the Repurchase Mandate.

1. PROPOSED SHARE REPURCHASE MANDATE

It is proposed that the Directors may exercise the powers of the Company to repurchase up to 10% of the Shares in issue as at the date of passing of the resolution to approve the granting to the Directors the Repurchase Mandate. At the Latest Practicable Date, the number of Shares in issue was 305,000,000 Shares. Accordingly, the exercise of the Repurchase Mandate in full (being the repurchase of 10% of the Shares in issue as at the date of the passing of the resolution to approve the Repurchase Mandate on the basis that no new Share is issued and no Share is repurchased prior to such date) would enable the Company to repurchase 30,500,000 Shares.

2. REASONS FOR REPURCHASES

The Directors believe that the Repurchase Mandate is in the best interests of the Company and its Shareholders. Whilst it is not possible to anticipate in advance any specific circumstance in which the Directors might think it appropriate to repurchase Shares, they believe that an ability to do so would give the Company additional flexibility that would be beneficial to the Company and the Shareholders as 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. Shareholders can be assured that the Directors would only make such repurchases in circumstances where they consider them to be in the best interests of the Company.

3. FUNDING OF REPURCHASES

In making repurchases, the Company proposes to apply funds legally available for such purpose in accordance with its memorandum and Articles, the Listing Rules and the Companies Law. Under the Companies Law, share repurchases by the Company may only be paid out of profits or out of the proceeds of a fresh issue of Shares made for the purpose, or, if so authorized by its memorandum and articles of association and subject to the Companies Law, out of capital. Any premium payable on share repurchases may only be paid out of profits of the Company or out of the Company's share premium account, or, if so authorized by its memorandum and articles of association and subject to the Companies Law, out of capital. In accordance with the Companies Law, the shares so repurchased would remain part of the authorized but unissued share capital of the Company.

4. IMPACT OF REPURCHASE

On the basis of the consolidated financial position of the Company as at 31 December 2005 (being the date to which the latest published audited financial statements of the Company have been made up) and in particular the working capital position of the Company at that time and the number of Shares now in issue, the Directors consider that there might be a material adverse impact on the working capital position and the gearing position of the Company in the event that Repurchase Mandate were to be carried out in full during the Repurchase Mandate period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in circumstances, have a material adverse impact on the working capital requirements of the Company or its gearing level which, in the opinion of the Directors, is from time to time appropriate for the Company.

5. PRICE OF SHARES

The highest and lowest prices at which the Shares have traded on the Stock Exchange from 11 July 2005 up to the Latest Practicable Date were as follows:

	Share Price	
	Highest HK\$	Lowest HK\$
2005		
July (from 11 July 2005) <i>Note</i>	1.20	1.08
August	1.10	0.96
September	1.05	0.92
October	1.03	0.70
November	1.03	0.67
December	0.95	0.90
2006		
January	1.04	0.94
February	1.20	1.00
March	1.39	1.11
April (up to the Latest Practicable Date)	1.24	1.21

Note: Dealings in the Shares on the Stock Exchange commenced on 11 July 2005.

6. UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules, the memorandum of association and Articles of the Company and the Companies Law.

None of the Directors nor, to the best of their knowledge and belief having made all reasonable enquiries, any of their associates, has any present intention to sell any Shares to the Company or its subsidiaries in the event that the Repurchase Mandate is approved by the Shareholders.

As at the Latest Practicable Date, no connected persons of the Company (as defined in the Listing Rules) has notified the Company that he/she has a present intention to sell his/her Shares to the Company or its subsidiaries, nor has he/she undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

7. TAKEOVERS CODE

If, on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, 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, SY International held 228,750,000 Shares, representing 75% of the issued ordinary share capital of the Company and for the purposes of the SFO, each of Tai Ah International, Lanling Electrical, Mr. Tsang Shui Ching, Patrick, Ms. Lou Bing, Mr. Zhou Anmin and Ms. Wu Tong (collectively the "Related Persons") is taken to have an interest in the 228,750,000 Shares.

In the event that the Directors exercise in full the power to repurchase Shares which is proposed to be granted pursuant to Ordinary Resolution 6A of the AGM, then (if the present shareholdings otherwise remained the same) the interests of SY International and the deemed interests of the Related Persons in the Company would be increased to approximately 83.33% of the issued ordinary share capital of the Company. The Directors are not aware of any consequence which would give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors have no intention to make share repurchase on the Stock Exchange to such extent as may result in the public shareholding to drop below such prescribed minimum percentage under the Listing Rules.

8. SHARE REPURCHASES MADE BY THE COMPANY

No repurchases of Shares have been made by the Company in the six months immediately preceding the Latest Practicable Date, whether on the Stock Exchange or otherwise.

Stated below are the details of the re-election of retiring directors:

MR. TSANG SHUI CHING, PATRICK, aged 50, is the chairman of the Board and an Executive Director of the Company. Mr. Tsang is one of the co-founders of Changzhou Senyuan Switch Co., Ltd. (“Changzhou Senyuan”), a wholly owned subsidiary of the Company. He has 10 years management experience in the PRC switchgear industry. He graduated from the University of Ottawa in Canada with a bachelor’s degree in science (mathematics) and a bachelor’s degree in social science (economics) in 1979. He later obtained a master’s degree in business administration from Washington University in the United States in 2003. Mr. Tsang is responsible for formulating the overall business development strategies of the Group, and in particular in regard to liaison with overseas business partners, and overseeing our Group’s finance and controlling operations.

Mr. Tsang is a brother-in-law of Mr. Lou Chong Wei, an executive director of the Company.

As at the Latest Practicable Date, Mr. Tsang has the following interest in the Shares of the Company within the meaning of Part XV of the SFO:

- (i) corporate interest in 228,750,000 Shares, which is held by SY International;
- (ii) corporate interest in one share of SY International, an associated corporation of the Company within the meaning of Part XV of the SFO, which is owned as to 50% by Tai Ah International (which is owned as to 75% by Mr. Tsang).

Save as disclosed above, Mr. Tsang does not have any interest in the Shares of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Tsang has not held directorships in any listed public companies in the last three years and is not connected with any other Directors, senior management, substantial or controlling shareholders of the Company.

Mr. Tsang has an existing service contract with the Company for a term of three years commencing from 11 July 2005. The service contract may be renewed on the expiry of the initial term. The Board will consider whether to renew the service contract upon the expiry of the existing term. There is no clause in the service contract specifically providing for the amount of compensation in case of early termination. His salary under the service contract is HK\$1,440,000 per annum in consideration of his performance and duties and subject to the discretion of the Board, a discretionary bonus as may be determined by the Board. He is subject to retirement and re-election at annual general meeting of the Company in accordance with the Articles.

Save as disclosed above, there is no other information that needs to be brought to the attention of the Shareholders or disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

MR. ZHOU ANMIN, aged 42, is an Executive Director and Chief Executive Officer of the Company. Mr. Zhou is one of the co-founders of Changzhou Senyuan. He has 22 years operation and management experience in the PRC switchgear industry. He was recognized as an assistant engineer by 江蘇省常州市天寧區輕工工程初級職務任職資格評審委員會 (The Light-Industry Junior Occupational Qualification Verification Committee of Tianning District, Changzhou, Jiangsu Province) in 1994. He was elected as a representative of Changzhou in the 12th and 13th 全國人民代表大會 (National People's Congress) of the PRC in 1998 and 2003 respectively. Mr. Zhou is responsible for formulating the overall business development strategies of the Group, particularly the marketing strategies in the PRC and direction of new product development.

As at the Latest Practicable Date, Mr. Zhou has the following interest in the Shares of the Company within the meaning of Part XV of the SFO:

- (i) corporate interest in 228,750,000 Shares, which is held by SY International;
- (ii) corporate interest in one share of SY International, an associated corporation of the Company within the meaning of Part XV of the SFO, which is owned as to 50% by Lanling Electrical (which is wholly owned by Mr. Zhou).

Save as disclosed above, Mr. Zhou does not have any interest in the Shares of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, Mr. Zhou has not held directorships in any listed public companies in the last three years and is not connected with any other Directors, senior management, substantial or controlling shareholders of the Company.

Mr. Zhou has an existing service contract with the Company for a term of three years commencing from 11 July 2005. The service contract may be renewed on the expiry of the initial term. The Board will consider whether to renew the service contract upon the expiry of the existing term. There is no clause in the service contract specifically providing for the amount of compensation in case of early termination. His salary under the service contract is HK\$1,440,000 per annum in consideration of his performance and duties and subject to the discretion of the Board, a discretionary bonus as may be determined by the Board. He is subject to retirement and re-election at annual general meeting of the Company in accordance with the Articles.

Save as disclosed above, there is no other information that needs to be brought to the attention of the Shareholders or disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

MR. SHU YI JIN, aged 59, is an Executive Director of the Company and general manager of Changzhou Senyuan. Mr. Shu joined the Group in January 1997. He graduated from 安徽蕪湖機械學校 (Anhui Wuhu Mechanical School) in 1969. He is a qualified engineer. From 1969 to 1993, Mr. Shu worked for 合肥高壓開關總廠 (Hefei High Voltage Switch Factory) where he took up a number of senior positions including the positions of deputy chief engineer and deputy technical director. Between 1993 and 1997, Mr. Shu worked for Changzhou Lanling Electrical Complete Set Factory Co., Ltd.

and Changzhou Lanling Electrical Groups Co., Ltd. as chief engineer and deputy general manager respectively. From these positions, he has gained extensive experience in the production of switchgear components. He has more than 30 years of operation and management experience in the PRC switchgear industry. In January 1997, he was appointed as the general manager of Changzhou Senyuan. He is responsible for the daily operation of the Group and formulating business plans in accordance with the Group's objectives and directions.

Mr. Shu has not held directorships in any other listed public companies in the last three years nor is connected with any other Directors, senior management, substantial or controlling Shareholders of the Company. As at the Latest Practicable Date, he does not have any interests in the Shares within the meaning of Part XV of the SFO.

Mr. Shu has an existing service contract with the Company for a term of three years commencing from 11 July 2005. The service contract may be renewed on the expiry of the initial term. The Board will consider whether to renew the service contract upon the expiry of the existing term. There is no clause in the service contract specifically providing for the amount of compensation in case of early termination. His salary under the service contract is HK\$740,000 per annum in consideration of his performance and duties and subject to the discretion of the Board, a discretionary bonus as may be determined by the Board. He is subject to retirement and re-election at annual general meeting of the Company in accordance with the Articles.

Save as disclosed above, there is no other information that needs to be brought to the attention of the Shareholders or disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

senyuan**SENYUAN INTERNATIONAL HOLDINGS LIMITED****森源國際控股有限公司**

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3333)

Notice is hereby given that an Annual General Meeting of Senyuan International Holdings Limited (the “Company”) will be held at Salon 2, B3, Ritz Carlton Hotel, 3 Connaught Road, Central, Hong Kong on Monday, 29 May 2006 at 11:30 a.m. for the following purposes:

1. To receive and adopt the Audited Consolidated Accounts and the Reports of the Directors and of the Auditors for the year ended 31 December 2005;
2. To declare a final dividend in respect of the year ended 31 December 2005;
3. To re-elect the following Directors as Executive Directors:

Tsang Shui Ching, Patrick
Zhou Anmin
Shu Yi Jin

4. To authorize the Board of Directors to fix the directors’ remuneration or extra remuneration;
5. To re-appoint the Auditors and to authorise the Board of Directors to fix their remuneration;

ORDINARY RESOLUTIONS

6. To consider and, if thought fit, pass with out without amendments the following as Ordinary Resolutions:—

6A. **“THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to repurchase issued shares of the Company of HK\$0.10 each 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 recognized by the Securities and Futures commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and requirements of the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time (the “Listing Rules”) be and is hereby generally and unconditionally approved;

- (b) the approval in paragraph (a) shall be in addition to any other authorizations given to the Directors and shall authorize the Directors on behalf of the Company during the Relevant Period to procure the Company to repurchase its shares at a price determined by the Directors;
- (c) the aggregate nominal amount of the shares of the Company to be repurchased by the Directors of the Company 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 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 date of passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the articles of association of the Company to be held; or
- (iii) the date upon which the authority set out in this resolution is revoked or varied by way of an ordinary resolution of the shareholders of the Company in general meeting.”

6B. “THAT:

- (a) subject to paragraph (c) below, the exercise by the Directors of the Company during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and otherwise deal with additional ordinary shares of the Company and to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above, shall be in addition to any other authorizations given to the Directors of the Company and shall authorize the Directors during the Relevant Period to make or grant offers, agreements, options and rights of exchange or conversation which would or might require the exercise of such powers after the end of the Relevant Period;

- (c) the aggregate nominal amount of share capital allotted, issued or otherwise dealt with or agreed conditionally or unconditionally to be allotted, issued or otherwise dealt with (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval granted in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (d) below), or (ii) any share option scheme or similar arrangement for the time being adopted or to be adopted for the grant or issue of options to subscribe for, or rights to acquire shares of the Company approved by the Stock Exchange, or (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date 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 date of passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the articles of association of the Company to be held; or
- (iii) the date upon which the authority set out in this resolution is revoked or varied by way of an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means the allotment, issue or grant of shares open for a period fixed by the Directors to holders of the shares or any class of shares on the register of members on a fixed record date in proportion to their then holdings of such shares (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 any relevant jurisdiction, or the requirements of any recognized regulatory body or any stock exchange in, any territory applicable to the Company).”

6C. **“THAT:**

conditional upon the passing of Resolutions Nos. 6A and 6B, the general mandate granted to the Directors of the Company pursuant to Resolution 6B be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the share capital of the Company as stated in Resolution No. 6A above provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution.”

SPECIAL RESOLUTION

7. To consider and, if thought fit, pass the following as a Special Resolution:—

“THAT the articles of association of the Company be and are amended in the following manner:

- (a) by deleting the word “annual” in the second sentence of Articles 86(3);
- (b) by replacing the word “special” with the word “ordinary” in Articles 86(5); and
- (c) by deleting the last sentence of Article 87(2) in its entirety and replacing with the following:

“Any Director appointed pursuant to Article 86(3) shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation in the next annual general meeting immediately following his appointment.” ”

Hong Kong, 27 April 2006

Notes:

1. Any member entitled to attend and vote at the meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of him. A member may appoint a proxy in respect of part only of his holding of shares in the Company. A proxy need not be a member of the Company.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorized to sign the same. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof it shall be assumed, unless the contrary appears, that such officer was duly authorized to sign such instrument of proxy on behalf of the corporation without further evidence of the facts.
3. The instrument appointing a proxy and (if required by the Board of Directors of the Company) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Hong Kong not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll taken subsequently to the date of the meeting or adjourned meeting, not less than twenty-four (24) hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid.

4. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall deem to be revoked.
5. Where there are joint holders of any share any one of such joint holder may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at the meeting the vote of 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 of members of the Company in respect of the joint holding.
6. As at the date hereof, the Board of Directors of the Company comprises four executive Directors, namely, Mr. Tsang Shui Ching, Patrick, Mr. Zhou Anmin, Mr. Lou Chong Wei and Mr. Shu Yi Jin and three independent non-executive Directors, namely, Mr. Keung Ping Yin, Raymond, Mr. Wong Yiu Sun, Peter and Mr. Lu Yan Sun.