

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 professional adviser.

If you have sold or transferred all your shares in South China Financial Holdings 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 transfer was effected for transmission to the purchaser or transferee.

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.



SOUTH CHINA FINANCIAL HOLDINGS LIMITED

南華金融控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 619)

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

A notice convening an annual general meeting of South China Financial Holdings Limited (the “Company”) to be held at 28th Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong on Tuesday, 20 May 2008 at 9:30 a.m. is set out on pages 12 to 15 of this circular.

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 or any adjournment thereof, you are advised to read the notice and requested to complete the proxy form in accordance with the instructions printed thereon and return the same to the Company’s share registrar, Union Registrars Limited at Rooms 1901-02, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding of the annual general meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending, and voting in person at the annual general meeting or any adjournment thereof should you so wish.

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	
Introduction	3
Issue Mandates and Repurchase Mandate	4
Re-election of Directors	4
Annual General Meeting	4
Right to Demand a Poll	5
Recommendation	6
APPENDIX I – EXPLANATORY STATEMENT FOR THE REPURCHASE MANDATE	7
APPENDIX II – BIOGRAPHICAL DETAILS OF RETIRING DIRECTORS	10
NOTICE OF ANNUAL GENERAL MEETING	12

DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be convened and held at 28th Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong on Tuesday, 20 May 2008 at 9:30 a.m., notice of which is set out on pages 12 to 15 of this circular
“Articles of Association”	the articles of association of the Company as may be amended from time to time
“Board”	the Company’s board of Directors
“Company”	South China Financial Holdings Limited, a company incorporated in Hong Kong on 29 April 1988 with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 619)
“Companies Ordinance”	Companies Ordinance (Chapter 32 of the laws of Hong Kong) as amended from time to time
“Director(s)”	the director(s) of the Company
“Issue Mandates”	the general and unconditional mandates proposed under ordinary resolutions numbered 5(A) and 5(C) in the notice of the AGM set out on pages 12 to 15 of this circular to be granted to the Directors to (i) allot and issue securities of the Company up to an aggregate nominal amount not exceeding 20% of the aggregate nominal value of the issued share capital of the Company on the date of the passing of the said ordinary resolution; (ii) to extend the mandate in (i) above by an amount representing the aggregate nominal amount of the Shares repurchased by the Company made pursuant to and in accordance with the Repurchase Mandate
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	31 March 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum”	the memorandum of association of the Company, as may be amended from time to time
“Repurchase Mandate”	the general and unconditional mandate proposed under ordinary resolution numbered 5(B) in the notice of the AGM set out on page 14 of this circular to be granted to the Directors to repurchase the Company’s shares up to an aggregate nominal amount not exceeding 10% of the aggregate nominal value of the issued share capital of the Company on the date of the passing of the said ordinary resolution
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.025 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	Codes on Takeovers and Mergers and Share Repurchases
“Warrantholder(s)”	holder(s) of the Warrants
“%”	per cent.



SOUTH CHINA FINANCIAL HOLDINGS LIMITED

南華金融控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 619)

Executive Directors:

Mr. Ng Hung Sang (*Chairman*)
Mr. Richard Howard Gorges (*Vice-chairman*)
Ms. Cheung Choi Ngor (*Vice-chairman*)
Mr. Ng Chun Sang
Mr. Ng Yuk Yeung, Paul

Registered Office:

28th Floor
Bank of China Tower
1 Garden Road
Central
Hong Kong

Independent Non-executive Directors:

Mrs. Tse Wong Siu Yin, Elizabeth
Hon. Raymond Arthur William Sears, Q.C.
Mr. Tung Woon Cheung, Eric

7 April 2008

*To the Shareholders and for information only,
holders of options of the Company and the Warrantheolders*

Dear Sir or Madam

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

INTRODUCTION

The purpose of this circular is to provide you with the relevant information regarding the proposed granting of the Issue Mandates and the Repurchase Mandate, the re-election of Directors and to give you notice of the AGM at which resolutions will be proposed to consider and, if thought fit, approve at the AGM, among other matters, the granting of the Issue Mandates and the Repurchase Mandate and the re-election of Directors.

LETTER FROM THE BOARD

ISSUE MANDATES AND REPURCHASE MANDATE

At an annual general meeting of the Company held on 22 May 2007, resolutions were passed by the Shareholders giving general unconditional mandates to the Directors to issue and allot Shares and to exercise the powers of the Company to repurchase its own Shares in accordance with the Listing Rules. These general mandates will lapse at the conclusion of the AGM.

It is therefore necessary to renew the Issue Mandates and the Repurchase Mandate at the AGM and ordinary resolutions will be proposed to seek the Shareholders' approval for granting of the Issue Mandates and the Repurchase Mandate at such meeting. Details of the aforesaid ordinary resolutions are set out in ordinary resolution numbered 5 in the notice of the AGM.

As at the Latest Practicable Date, the number of Shares in issue was 5,028,645,900. Subject to the passing of the resolution in relation to the Issue Mandates and on the basis that no further Shares are issued or repurchased by the Company prior to the AGM, the Company would be allowed under the Issue Mandates to allot a maximum of 1,005,729,180 Shares, representing 20% of the issued share capital of the Company.

The Issue Mandates and the Repurchase Mandate, if approved at the AGM, will continue in force until the conclusion of the next annual general meeting of the Company or the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable laws to be held or until revoked or varied by ordinary resolution by the Shareholders in general meeting, whichever occurs first.

An explanatory statement as required by the Listing Rules to provide the Shareholders with all the information reasonably necessary for them to make an informed decision on the proposed resolution for the granting of the Repurchase Mandate is set out in Appendix I to this circular.

RE-ELECTION OF DIRECTORS

At the AGM, ordinary resolutions will also be proposed to re-elect Mrs. Tse Wong Siu Yin, Elizabeth, Hon. Raymond Arthur William Sears and Mr. Tung Woon Cheung, Eric as Directors in accordance with the Articles of Association. To enable the Shareholders to make an informed decision on the re-election of these retiring Directors, the biographical details of the retiring Directors, as required under Chapter 13 of the Listing Rules, are set out in Appendix II to this circular for the information of the Shareholders.

ANNUAL GENERAL MEETING

A notice convening the AGM is set out on pages 12 to 15. At the AGM, relevant resolutions will be proposed to approve the granting of the Issue Mandates, the Repurchase Mandate and the re-election of Directors.

LETTER FROM THE BOARD

There is enclosed with this circular a proxy form for use at the AGM. Whether or not you intend to attend the AGM or any adjournment thereof, you are requested to complete the proxy form in accordance with the instructions printed thereon and return the same to the Company's share registrar, Union Registrars Limited at Rooms 1901-02, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time fixed for holding the AGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish. In the event that a Shareholder having lodged a proxy form attends the AGM, his proxy form will be deemed to have been revoked.

RIGHT TO DEMAND A POLL

Pursuant to the Articles of Association, 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 or on the withdrawal of any other demand for a poll) voting by way of poll is required by the Listing Rules or a poll is duly demanded. A poll may be demanded by:

- (a) the chairman of the meeting; or
- (b) at least five members present in person or by proxy for the time being entitled to vote at the meeting; or
- (c) any member or members present in person 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
- (d) a member or members present in person 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; or
- (e) if required by the Listing Rules, 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.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors consider that the granting of the Issue Mandates and the Repurchase Mandate and the re-election of Directors are in the best interests of the Company and the Shareholders as a whole and so recommend the Shareholders to vote in favour of the resolutions to be proposed at the AGM. The Directors will vote all their shareholding in favour of the resolutions.

Yours faithfully
By order of the Board
Ng Hung Sang
Chairman

This is an explanatory statement given to the Shareholders relating to the resolution to be proposed at the AGM authorising the Repurchase Mandate.

This explanatory statement contains all the information required pursuant to the Listing Rules, which is set out as follows:

1. EXERCISE OF THE REPURCHASE MANDATE

As at the Latest Practicable Date, the number of Shares in issue was 5,028,645,900.

Subject to the passing of the resolution in relation to the Repurchase Mandate and on the basis that no further Shares are issued or repurchased by the Company prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 502,864,590 Shares (representing 10% of the issued share capital of the Company) during the period from the date of the passing of the ordinary resolution numbered 5(B) in the notice of the AGM set out on page 14 of this circular up to (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 the Articles of Association or any applicable laws to be held; or (iii) the revocation or variation of the Repurchase Mandate by ordinary resolution of the Shareholders in general meeting, whichever occurs first.

2. REASONS FOR REPURCHASES

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Memorandum and Articles of Association, the Listing Rules and the Companies Ordinance. The Company is empowered by its Articles of Association to repurchase its Shares. The Companies Ordinance provides that the amount of capital repaid in connection with a share repurchase may only be paid from the distributable profits of the Company and/or the proceeds of a new issue of Shares made for this purpose of the repurchase to such extent allowable under the Companies Ordinance.

4. GENERAL

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the financial year ended 31 December 2007) in the event that the Repurchase Mandate is exercised in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate 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 Directors are from time to time appropriate for the Company.

5. UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate only in accordance with the Listing Rules, the Memorandum and Articles of Association and the applicable laws of Hong Kong.

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, if the Repurchase Mandate is approved by the Shareholders, to sell any Shares to the Company or its subsidiaries.

No connected person (as defined in the Listing Rules) of the Company has notified the Company that he has a present intention to sell Shares to the Company, nor has undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

6. TAKEOVERS CODE

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 purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert (as interpreted according to the Takeovers Code), depending on the level of the increase of the shareholder's interest, 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, South China Holdings Limited ("SCH") together with its subsidiaries was interested in an aggregate of 3,660,502,500 Shares, representing approximately 72.79% of the issued share capital of the Company and was the substantial Shareholder. Mr. Ng Hung Sang ("Mr. Ng") through his indirect interests in SCH, was taken to be interested in the 3,660,502,500 Shares held by SCH. In the event that the Directors exercise the proposed Repurchase Mandate in full, then (if the present shareholdings otherwise remained the same) the shareholding in the Company of SCH and its subsidiaries, together with Mr. Ng, would be increased to approximately 80.88% of the issued share capital of the Company and such increases would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. However, as the minimum amount of Shares to be held by the public cannot be less than 25% of the issued share capital of the Company, the Directors will use their best endeavours to ensure that the Repurchase Mandate will not be exercised to the extent that the Company will infringe such minimum public float requirement.

7. SHARE REPURCHASE MADE BY THE COMPANY

No purchase of Shares has been made by the Company in the six months prior to the Latest Practicable Date, whether on the Stock Exchange or otherwise.

8. SHARE PRICES

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

	Price per Share	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2007		
April	0.178	0.105
May	0.239	0.123
June	0.208	0.166
July	0.210	0.142
August	0.200	0.096
September	0.310	0.158
October	0.236	0.175
November	0.219	0.152
December	0.191	0.131
2008		
January	0.165	0.091
February	0.117	0.092
March (up to the Latest Practicable Date)	0.150	0.090

Details of the retiring Directors proposed to be re-elected at the AGM as at the Latest Practicable Date are set out as follows:

MRS. TSE WONG SIU YIN, ELIZABETH, INDEPENDENT NON-EXECUTIVE DIRECTOR

Aged 50, is an Independent Non-executive Director of the Company, South China Holdings Limited (“SCH”) and South China (China) Limited (formerly known as “South China Industries Limited”) (“SCC”), the chairman of the Hong Kong Flower Retailers Association, the Committee Member (Gardening and Floristry) of Labour and Welfare Bureau and the Youth Skills Competition Committee Member of Vocational Training Council. Mrs. Tse was also the independent non-executive director of Nority International Group Limited (“Nority”) during the period from 2 May 2006 to 3 February 2007. The ordinary shares of each of SCH, SCC and Nority are listed on the main board of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Mrs. Tse holds a Bachelor degree of Science from the University of Western Ontario in Canada. She was appointed as an Independent Non-executive Director of the Company in November 1992. Save as disclosed above, Mrs. Tse does not hold any directorships in any other listed public companies currently or in the last three years.

Mrs. Tse does not have any interest in any shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). She has not entered into any service contract with the Company but has agreed and confirmed in writing with the Company that her term of appointment is three years commenced from the date of last re-election by the shareholders at the annual general meeting. In addition, she is subject to retirement by rotation and re-election in accordance with the Articles of Association of the Company. Mrs. Tse received a director’s fee of HK\$50,000 for the year ended 31 December 2007 which was determined by reference to her skills, knowledge, involvement and performance in the Company, with reference also to the Company’s performance and profitability as well as industry practice.

Save as disclosed above, Mrs. Tse does not have any relationships with any Directors, senior management or substantial or controlling shareholders of the Company.

HON. RAYMOND ARTHUR WILLIAM SEARS, Q.C., INDEPENDENT NON-EXECUTIVE DIRECTOR

Aged 75, a retired High Court Judge, holds a Master degree in law from Cambridge University in the United Kingdom. He became a Queen’s Counsel in 1975 and was a former vice-chairman Judicial Section of the International Bar Association. In the United Kingdom, he had been leading Counsel in England to the Government and large Authorities on redevelopment and construction projects and to the General Medical Council. In 1986 and 1987, he was a Justice of the Supreme Court of Hong Kong and the Commissioner to the Sultan of Brunei, respectively. From 1994 to 1999, he was a Senior Civil High Court Judge. He was appointed as an Independent Non-executive Director of the Company in March 2000. Save as disclosed above, Hon. Raymond Arthur William Sears, Q.C. does not hold any directorships in any other listed public companies currently or in the last three years.

Hon. Raymond Arthur William Sears, Q.C. is holding 200,000 shares as interest of spouse within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). He has not entered into any service contract with the Company, but has agreed and confirmed in writing with the Company that his term of appointment is three years commenced from the date of last re-election by the shareholders at the annual general meeting. In addition, he is subject to retirement by rotation and re-election in accordance with the Articles of Association of the Company. Hon. Raymond Arthur William Sears, Q.C. received director's fee of HK\$100,000 for the year ended 31 December 2007 which was determined by reference to his skills, knowledge, involvement and performance in the Company, with reference also to the Company's performance and profitability as well as industry practice.

Save as disclosed above, Hon. Raymond Arthur William Sears, Q.C. does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company.

TUNG WOON CHEUNG, ERIC, INDEPENDENT NON-EXECUTIVE DIRECTOR

Aged 37, is general manager of the finance department of Beijing Enterprises Holdings Limited, a company listed on the Main Board of The Stock Exchange of Hong Kong; the company secretary of Biosino Bio-technology and Science Incorporation, a company listed on the GEM Board of the Stock Exchange of Hong Kong; the director of Eversource Scientific and Technology Development Co., Ltd. and the financial controller of Shenzhen Guanshun Road & Bridge Co. Ltd.; Mr. Tung graduated from York University, Toronto, Canada with a Bachelor honours degree in administrative studies. He is a Certified Public Accountant of Hong Kong Institute of Certified Public Accountants and a U.S. Certified Public Accountant of The American Institute of Certified Public Accountants. Mr. Tung was appointed as an Independent Non-executive Director of the Company in September 2004. Save as disclosed above, Mr. Tung does not hold any directorships in any other listed public companies currently or in the last three years.

Mr. Tung does not have any interest in any shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). He has not entered into any service contract with the Company but has agreed and confirmed in writing with the Company that his term of appointment is three years commenced from the date of last re-election by the shareholders at the annual general meeting. In addition, he is subject to retirement by rotation and re-election in accordance with the Articles of Association of the Company. Mr. Tung received a director's fee of HK\$50,000 for the year ended 31 December 2007 which are determined by reference to his skills, knowledge, involvement and performance in the Company, with reference also to the Company's performance and profitability as well as industry practice.

Save as disclosed above, Mr. Tung does not have any relationships with any Directors, senior management or substantial or controlling shareholders of the Company.

Other than those disclosed above, each of the above retiring Directors has confirmed that there is no information to be disclosed pursuant to any of the requirements of Rule 13.51(2)(h)–(v) of the Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders in connection with their re-election.



SOUTH CHINA FINANCIAL HOLDINGS LIMITED

南華金融控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 619)

NOTICE IS HEREBY GIVEN that an annual general meeting of South China Financial Holdings Limited (the “Company”) will be held at 28th Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong on Tuesday, 20 May 2008 at 9:30 a.m. for the following purposes:

ORDINARY BUSINESS

1. To consider and adopt the audited financial statements together with the Directors’ Report and the Independent Auditors’ Report for the year ended 31 December 2007.
2. To declare a final dividend of 0.6 HK cent per share for the year ended 31 December 2007.
3. To re-elect Directors and to authorise the Board of Directors to fix the Directors’ remuneration.
4. To re-appoint Auditors and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

5. To consider and, if thought fit, pass (with or without modification) the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

(A) **“THAT:**

- (a) subject to sub-paragraph (c) of this Resolution and pursuant to the Rules Governing the Listing of Securities (“Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), 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 or securities convertible into shares, or options, warrants or similar rights to subscribe for any shares and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the approval in sub-paragraph (a) of this Resolution shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers 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) by the Directors of the Company pursuant to the approval in sub-paragraph (a) of this Resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined), or (ii) 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, or (iii) the exercise of any options granted under 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 of shares or rights to acquire shares of the Company, or (iv) 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 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 the Articles of Association of the Company, the Companies Ordinance of Hong Kong or any other applicable laws 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.

“Rights Issue” means an offer of shares in the share capital of the Company or an offer or issue of warrants or options or similar instruments to subscribe for shares in the share capital of the Company open for a period fixed by the Directors of the Company to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusion or

NOTICE OF ANNUAL GENERAL MEETING

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, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, or any recognised regulatory body or any stock exchange applicable to the Company).”

(B) **“THAT:**

- (a) subject to sub-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 in the capital of the Company on the Stock Exchange or on any other exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong (“SFC”) and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the SFC, the Stock Exchange or of any other stock exchange as amended from time to time and all applicable laws in this regard, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the shares which may be repurchased pursuant to the approval in sub-paragraph (a) of this Resolution shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this Resolution and the said approval shall be limited accordingly; and
- (c) for the 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 the Articles of Association of the Company, the Companies Ordinance of Hong Kong or any other applicable laws 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.

NOTICE OF ANNUAL GENERAL MEETING

- (C) “**THAT** conditional upon Resolutions Nos. 5(A) and 5(B) set out in the notice convening this Meeting being passed, the aggregate nominal amount of the shares in the capital which are repurchased by the Company after the date of the passing of this Resolution (up to a maximum of 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this Resolution) shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company pursuant to Resolution No. 5(A) set out in the notice convening this Meeting.”

6. To transact any other ordinary business.

By order of the Board
Sin Li Mei Wah, Jenifer
Company Secretary

Hong Kong, 7 April 2008

Notes:

1. A member entitled to attend and vote at the annual general meeting is entitled to appoint one or more proxies to attend and on a poll vote instead of him. A proxy need not be a member of the Company.
2. In order to be valid, a proxy form and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of authority, must be deposited at the Company's share registrar, Union Registrars Limited at Rooms 1901-02, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong, not less than 48 hours before the time fixed for holding the meeting or any adjourned meeting thereof. Completion and return of the proxy form will not preclude any member from attending and voting in person at the annual general meeting or any adjourned meeting thereof should he/she so wishes.
3. The register of members of the Company will be closed from 14 May 2008 to 20 May 2008, both days inclusive, during which period no share transfers will be registered. To qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates of the Company or in the case of Warranholders all subscription forms accompanied by the relevant warrant certificates and exercise money, must be lodged for registration with the Company's share registrar, Union Registrars Limited at Rooms 1901-02, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong not later than 4:00 p.m. on 13 May 2008.
4. In case of joint shareholdings, the vote of the senior joint shareholder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint shareholder(s) and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint shareholding.
5. With regard to the resolutions set out in item 5 of this notice, the Directors wish to state that they have no immediate proposals either to issue or repurchase any securities of the Company. Approval is being sought from members as general mandates pursuant to the Listing Rules of the Stock Exchange.