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## IMPORTANT

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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 a licensed securities dealer, a bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Mitsumaru East Kit (Holdings) Limited (the “Company”) you should at once hand this circular and the enclosed form of proxy to the purchaser or transferee or to the bank, licensed securities dealer 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.

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**Mitsumaru East Kit (Holdings) Limited**  
**三丸東傑(控股)有限公司**

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

**(Stock Code: 2358)**

**RE-ELECTION OF PROPOSED DIRECTORS**  
**PROPOSED GRANT OF GENERAL MANDATES**  
**TO ISSUE AND REPURCHASE SHARES**

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A notice convening the Annual General Meeting of the Company to be held at the Company’s principal place of business in Shanghai, No. 2618, Gu Dai Road, Shanghai, the People’s Republic of China on Thursday, 25 September 2008 at 1:00 p.m. (previously scheduled on 29 September 2008 as stated in the Company’s 2007 annual report) to approve the matters referred to in this circular is set out on pages 12 to 16 of this circular. Whether or not you are able to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company’s principal place of business in Hong Kong at Unit 606, 6th Floor, Regent Centre, Tower B, 63 Wo Yi Hop Road, Kwai Chung, New Territories, Hong Kong not less than 48 hours before the time appointed for holding the Annual General Meeting. Completion and return of the accompanying form of proxy will not preclude you from attending and voting at the Annual General Meeting or any adjourned meeting should you so wish.

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## DEFINITIONS

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

“Annual General Meeting” or “AGM”	the annual general meeting of the Shareholders to be held at the Company’s principal place of business in Shanghai, No. 2618, Gu Dai Road, Shanghai, the People’s Republic of China on Thursday, 25 September 2008 at 1:00 p.m. (previously scheduled on 29 September 2008 as stated in the Company’s 2007 annual report), and any adjournment thereof, a notice of which is set out at the end of this circular
“Articles of Association”	the articles of association of the Company
“Associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors of the Company
“Company”	Mitsumaru East Kit (Holdings) Limited (三丸東傑 (控股) 有限公司), a company incorporated in the Cayman Islands as an exempted company with limited liability on 30 January 2004
“Connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Directors”	the directors of the Company
“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
“Issue Mandate”	the general and unconditional mandate to the Directors to exercise all the powers of the Company to allot, issue and otherwise deal with new shares in the Company not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing the resolution approving such mandate
“Latest Practicable Date”	30 August 2008, being the latest practicable date prior to the issue of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China

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## DEFINITIONS

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“Repurchase Mandate”	the general and unconditional mandate to the Director to exercise all the powers of the Company to repurchase on the Stock Exchange of up to 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing the resolution approving such mandate
“Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of HK\$0.10 each
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers



**Mitsumaru East Kit (Holdings) Limited**  
**三丸東傑(控股)有限公司**

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

**(Stock Code: 2358)**

*Executive Directors:*

Mr. Zhang Shuyang (*Chairman*)  
Mr. Tung Chi Wai, Terrence  
Mr. Leung Koon Sing

*Independent Non-Executive Directors:*

Mr. Chiu Chi Cheong Clifton  
Mr. Martin He  
Mr. Mu Xiangming

*Registered office*

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

*Principal Place of Business  
in Hong Kong:*

Unit 606  
6th Floor  
Regent Centre  
Tower B  
63 Wo Yi Hop Road  
Kwai Chung  
New Territories  
Hong Kong

1 September 2008

*To the Shareholders*

Dear Sir or Madam,

**PROPOSED DIRECTORS FOR RE-ELECTION  
PROPOSED GRANT OF GENERAL MANDATES  
TO ISSUE AND REPURCHASE SHARES**

**INTRODUCTION**

The purpose of this circular is to give you notice of the AGM and to provide you with information regarding the resolutions to be proposed at the AGM relating to (i) the re-election of Mr. Tung Chi Wai, Terrence, Mr. Leung Koon Sing, Mr. Chiu Chi Cheong Clifton and Mr. Martin He as Directors who are due to retire at the AGM and who have confirmed their willingness to offer themselves for re-election; and (ii) the grant of the Issue Mandate and the Repurchase Mandate.

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## LETTER FROM THE BOARD

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### RE-ELECTION OF DIRECTORS

According to Article 87(1) of the Articles of Association, one-third of the Directors (or, if their number is not a multiple of three, the number nearest to but not greater than one-third) are subject to retirement by rotation at every annual general meeting. Accordingly, Mr. Tung Chi Wai, Terrence, Mr. Leung Koon Sing, Mr. Chiu Chi Cheong Clifton and Mr. Martin He are due to retire by rotation at the forthcoming AGM, and being eligible, offer themselves for re-election.

Information on Mr. Tung Chi Wai, Terrence, Mr. Leung Koon Sing, Mr. Chiu Chi Cheong Clifton and Mr. Martin He is set out in Appendix I to this circular.

### THE GENERAL MANDATE AND THE REPURCHASE MANDATE

The Board proposes to seek the approval of the Shareholders at the AGM for the grants of:

- (a) the Issue Mandate to allot, issue and otherwise deal with the Shares not exceeding the aggregate of 20% of the total nominal value of the share capital of the Company in issue as at the date of passing the resolution approving the Issue Mandate, details of which are set out in Ordinary Resolution No. 5(A) of the notice of the AGM;
- (b) the Repurchase Mandate to repurchase Shares not exceeding the aggregate of 10% of the total nominal value of the share capital of the Company in issue as at the date of passing the resolution approving the Repurchase Mandate; details of which are set out in Ordinary Resolution No. 5(B) of the notice of the AGM; and
- (c) authority to the Board to extend the maximum number of new Shares which may be issued under the Issue Mandate by adding to it the nominal value of Shares which may be purchased or repurchased pursuant to the Repurchase Mandate, details of which are set out in Ordinary Resolution No. 5(C) of the notice of the AGM.

An explanatory statement containing all information required pursuant to Rule 10.06 (1)(b) of the Listing Rules is set out in Appendix II to this circular.

### ANNUAL GENERAL MEETING

The notice of the AGM is set out on page 12 to page 16 (both inclusive). At the AGM, ordinary resolutions will be proposed to approve a number of matters, including, inter alia, (i) the re-election of Mr. Tung Chi Wai, Terrence, Mr. Leung Koon Sing, Mr. Chiu Chi Cheong Clifton and Mr. Martin He as Directors who are due to retire at the AGM and who have confirmed their willingness to offer themselves for re-election; and (ii) the grant of the Issue Mandate and the Repurchase Mandate.

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## LETTER FROM THE BOARD

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A form of proxy for use at the AGM is enclosed. Whether or not you are attending the meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instruction printed thereon to the Company's principal place of business in Hong Kong at Unit 606, 6th Floor, Regent Centre, Tower B, 63 Wo Yi Hop Road, Kwai Chung, New Territories, Hong Kong not less than 48 hours before the time appointed for holding the AGM. Completion and deposit of the form of proxy will not preclude you from attending and voting in person at the AGM if you so wish. In such event, the form of proxy will be deemed to have been revoked.

### PROCEDURES FOR DEMANDING A POLL

Pursuant to Article 66 of the Articles of Association, a poll may be demanded in relation to any resolution put to the vote of the AGM before or on the declaration of result of the show of hands or on the withdrawal of any other demand for a poll:

- (a) by the chairman of the 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 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.

### RECOMMENDATION

The Board considers that the re-election of the Directors as described in the paragraph headed "Re-Election of Directors" above and the grant of the Issue Mandate and the Repurchase Mandate are in the best interests of the Company and the Shareholders as a whole, and accordingly recommend the Shareholders to vote in favour of all the relevant resolutions to be proposed at the AGM.

Yours faithfully  
For and on behalf of the Board  
**Zhang Shuyang**  
*Chairman*

1 September 2008

The details and biography of the retiring Directors proposed for re-election are set out below.

**Mr. Tung Chi Wai, Terrence**, aged 41, the co-founder of the Group, is an Executive Director and the Chief Marketing Officer of the Group as well as a member of the Management Committee of the Group. Mr. Tung graduated from University of Manitoba, Canada with a Bachelor's degree in Science (Electrical Engineering). Before co-founding Mitsumaru (Holdings) Limited with Mr. Zhang in 1994, he has over 10 years of experience in sales and management in the electronics and television industries. He is currently responsible for overseeing the daily operation and management of the Sales and Marketing Division, the Operating Division and Mitsumaru (H.K.) Limited. Mr. Tung was appointed as the Director on 13 February 2004.

Mr. Tung has (i) corporate interests in 6,000,000 Shares of the Company (representing 1.5% of the issued share capital of the Company) through his 100% shareholding in T-Square Limited; and (ii) personal interests in 1,950,000 underlying Shares under the options granted to him by the Company pursuant to the Pre-IPO Share Option Scheme of the Company passed by the shareholders on 22 June 2004, within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 517 of the Laws of Hong Kong) (the "SFO"). The term of his service as a Director is subject to retirement by rotation at the annual general meetings of the Company in accordance with the Articles of Association. The emoluments specified in the service contract of Mr. Tung includes (i) a salary of HK\$ 3,000,000 per annum; (ii) a discretionary management bonus, provided that the aggregate amount of management bonus payable to all Directors for the time being of the Company in respect of any financial year of the Company shall not exceed 5% of the audited consolidated net profit of the Group (after tax and minority interests but before extraordinary items and the payment of any such bonus) in respect of that financial year. Such emoluments are determined by the Remuneration Committee, and approved by the Board, with reference to his qualifications and experience, his duties and responsibilities with the Company, the Company's performance and profitability as well as remuneration benchmarks in the industry and the prevailing market conditions.

**Mr. Leung Koon Sing**, aged 49, is an Executive Director as well as a member of the Management Committee of the Group. Mr. Leung graduated from The University of Hong Kong with a Bachelor of Arts in 1982. Mr. Leung has over 20 years of experience as a commercial banker, an investment banker as well as an operator. He is currently responsible for the overall management of the Group. Mr. Leung joined the Group and was appointed as the Director on 1 August 2008.

Subject to the approval of the re-election of Mr. Leung as a Director at the AGM, the Company will enter into a service contract with Mr. Leung in respect of his appointment to the office of Executive Director. Under the service contract, the proposed term for Mr. Leung's appointment will commence on the date of the AGM till 31 July 2010 and subjected to extension or re-election in the future. The emoluments specified in the service contract of Mr. Leung includes (i) a salary of HK\$1,620,000 per annum; (ii) a discretionary management bonus on completion of every twelve months' service after 1 August 2008, provided that the aggregate amount of management bonus payable to all Directors for the



time being of the Company in respect of any financial year of the Company shall not exceed 5% of the audited consolidated net profit of the Group (after tax and minority interests but before extraordinary items and the payment of any such bonus) in respect of that financial year. Such emoluments are determined by the Remuneration Committee, and approved by the Board, with reference to his qualifications and experience, his duties and responsibilities with the Company, the Company's performance and profitability as well as remuneration benchmarks in the industry and the prevailing market conditions.

**Mr. Chiu Chi Cheong Clifton**, aged 53, was appointed as an Independent Non-executive Director on 27 August 2008. Mr. Chiu is a certified accountant in the USA. Mr. Chiu graduated from the University of Southern California with a MBA degree in 1977. Mr. Chiu is currently a Director and the General Manager of Harvester (Holdings) Co., Ltd. He has accumulated extensive experience in international finance, securities and accounting. He is also a Non-executive Director of Shenzhen Expressway Company Limited (Stock Code: 00548). Mr. Chiu has been the Vice Chairman of the Takeovers and Mergers Panel of the Securities and Futures Commission from January 1996 to March 2008, and had been a member of Shenzhen Political Consultative Committee, the Vice Chairman of the Listing Committee of the Main Board and the Growth Enterprises Market of Stock Exchange, an Independent Non-executive Director of Chongqing Iron & Steel Co., Ltd. (Stock Code: 01053) from December 1999 to July 2002 and Aluminum Corporation of China Limited (Stock Code: 02600) from October 2001 to October 2005.

Mr. Chiu has confirmed to the Board regarding his independence in accordance with Rule 3.13 of the Listing Rules. Mr. Chiu does not have any relationship with any other director, senior management, substantial or controlling shareholder of the Company and he has no interests in the shares of the Company within the meaning of Part XV of the SFO. Subject to the approval of Mr. Chiu as a Director of the Company at the AGM, the Company will enter into a letter of appointment with Mr. Chiu in respect of his appointment to the office of Independent Non-executive Director of the Company. Under the letter of appointment, the proposed term for Mr. Chiu's appointment will commence on the date of the AGM till 26 August 2010 and subject to extension or re-election in the future. Mr. Chiu will be entitled to receive a director's fee of HK\$ 360,000 per annum. Such emolument is determined with reference to his qualifications and experience, his duties and responsibilities with the Company as well as remuneration benchmarks in the industry and the prevailing market conditions.

**Mr. Martin He**, aged 44, was appointed as an Independent Non-executive Director on 27 August 2008. Mr. He has obtained a Master of Finance degree at the University of Toronto as well as Master of Management and Bachelor of International Economics degree at the Peking University. Mr. He has over fifteen years of working experience in private equity, investment banking, corporate finance, management of listed company, as well as experience in the media industry. Mr. He is one of the founders and Managing Director of Zensation Capital Limited, a Hong Kong based business and financial consulting company. Mr. He had been the Chief Investment Officer of Nuovo Assets Ltd., a Hong Kong based venture capital fund, and an Executive Director of Laidlaw Pacific (Asia) Limited, Hong

Kong. Prior to his immigration to Hong Kong from Canada in 1997, Mr. He was the Executive Director and Deputy General Manager of Worldtek Inc., a public company listed in the Toronto Stock Exchange, Canada.

Mr. He has confirmed to the Board regarding his independence in accordance with Rule 3.13 of the Listing Rules. Mr. He does not have any relationship with any other director, senior management, substantial or controlling shareholder of the Company and he has no interests in the shares of the Company within the meaning of Part XV of the SFO. Subject to the approval of Mr. He as a Director of the Company at the AGM, the Company will enter into a letter of appointment with Mr. He in respect of his appointment to the office of Independent Non-executive Director of the Company. Under the letter of appointment, the proposed term for Mr. He's appointment will commence on the date of the AGM till 26 August 2010 and subject to extension or re-election in the future. Mr. He will be entitled to receive a director's fee of HK\$ 216,000 per annum. Such emolument is determined with reference to his qualifications and experience, his duties and responsibilities with the Company as well as remuneration benchmarks in the industry and the prevailing market conditions.

This Appendix II serves as an explanatory statement required to be given to the Shareholders pursuant to Rule 10.06(1)(b) of the Listing Rules in connection with the Repurchase Mandate. The purpose of this explanatory statement is to provide the Shareholders with all the information reasonably necessary for making an informed decision as to whether to pass the resolution approving the Repurchase Mandate.

## **1. THE LISTING RULES**

The Listing Rules permit a company with a primary listing on the Stock Exchange to repurchase its own securities on the Stock Exchange subject to certain restrictions, the more important of which are summarised below:

### **(a) Shareholders' approval**

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

### **(b) Source of funds**

Repurchases must be funded out of funds legally available for the purpose. A company may not repurchase its own shares 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 the laws of the Cayman Islands, any repurchases by the Company may be made out of profits of the Company or out of the proceeds of a fresh issue of shares made for the purposes of the repurchase or, under certain circumstances, out of capital. Any premium payable on a repurchase must be made out of the profits of the Company or out of the Company's share premium account before or at the time the shares are purchased or, under certain circumstances, out of capital. If payment is made out of capital, the Company must be able to pay its debts as they fall due in the ordinary course of business.

## **2. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 400,000,000 Shares. Exercise in full of the Repurchase Mandate (10% of the issued share capital of the Company), on the basis that no further Shares are issued prior to the date of the AGM, could accordingly result in up to 40,000,000 Shares being repurchased by the Company during the course of the period ending on the earlier to occur of the date of the annual general meeting in 2008 or the date upon which such authority is revoked or varied.

### **3. REASONS FOR REPURCHASES**

The Directors believe that it is in the best interests of the Company and the Shareholders for the Directors to have general authority from the Shareholders to enable the Company to repurchase Shares on the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made where the Directors believe that such repurchases will benefit the Company and the Shareholders.

### **4. FUNDING OF REPURCHASES**

In repurchasing securities, the Company may only apply funds legally available for such purpose in accordance with the Articles of Association and the laws of the Cayman Islands.

There might be an adverse effect on the working capital and/or the gearing position of the Company as compared with the position disclosed in its latest published audited accounts for the year ended 31 December 2007 in the event that the Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate (if approved by the Shareholders) to such an 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. EFFECT OF THE TAKEOVERS CODE**

As at the Latest Practicable Date, Z-Idea Company Limited held 249,000,000 Shares, representing approximately 62.25% of the total issued share capital of the Company as at such date. On such basis, if the Repurchase Mandate is fully exercised by the Company, there will be an effect of increasing the percentage of Z-Idea Company Limited to approximately 69.17%, but such increase will not give rise to any obligation under Rule 26 of the Takeovers Code to make a general offer.

### **6. DIRECTORS AND THEIR ASSOCIATES AND CONNECTED PERSONS**

None of the Directors nor, to the best of their knowledge after making all reasonable enquiries, any of their associates has any present intention to sell any Shares to the Company or its subsidiaries under the Repurchase Mandate, if the Repurchase Mandate is approved by the Shareholders.

No other connected persons of the Company have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, if the Repurchase Mandate is approved by the Shareholders.

## 7. UNDERTAKING OF THE DIRECTORS

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 and the applicable laws and regulations of the Cayman Islands.

## 8. SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange in each of the previous seventeen months prior to the Latest Practicable Date were as follows:

	Share Price per Share	
	Highest (HK\$)	Lowest (HK\$)
<b>2007</b>		
April	0.85	0.82
May	0.90	0.78
June	0.92	0.83
July	0.95	0.83
August	1.40	0.70
September	1.80	0.85
October	1.20	0.81
November	1.45	1.03
December	1.35	0.88
<b>2008</b>		
January	1.10	0.72
February	0.94	0.87
March	0.94	0.94
April	0.94	0.94
May	0.94	0.94
June	0.94	0.94
July	0.94	0.94
August	0.94	0.94
September (up to the Latest Practicable Date)	0.94	0.94

*N.B. Trading in Shares was suspended from 9:30 a.m. on 14 February 2008 at the direction of the Stock Exchange and will remain suspended until further notice.*

## 9. REPURCHASES MADE BY THE COMPANY

The Company did not purchase any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

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## NOTICE OF ANNUAL GENERAL MEETING

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### **Mitsumaru East Kit (Holdings) Limited** **三丸東傑(控股)有限公司**

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

**(Stock Code: 2358)**

### **NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting (the “AGM”) of Mitsumaru East Kit (Holdings) Limited (the “Company”) will be held at the Company’s principal place of business in Shanghai, No. 2618, Gu Dai Road, Shanghai, the People’s Republic of China on Thursday, 25 September 2008 at 1:00 p.m. (previously scheduled on 29 September 2008 as stated in the Company’s 2007 annual report) for the purpose of considering and, if thought fit, passing the following resolutions:

1. To consider and approve the audited financial statements and the reports of the Directors and auditors for the year ended 31 December 2007.
2. (A) To re-elect Mr. Tung Chi Wai, Terrence as a Director of the Company (“Director”) and to authorise the board of Directors (the “Board”) to fix his remuneration.  
  
(B) To re-elect Mr. Leung Koon Sing as a Director and to authorise the Board to fix his remuneration.  
  
(C) To re-elect Mr. Chiu Chi Cheong Clifton as a Director and to authorise the Board to fix his remuneration.  
  
(D) To re-elect Mr. Martin He as a Director and to authorise the Board to fix his remuneration.
3. To re-appoint Ernst & Young (Hong Kong Certified Public Accountants) as the auditors of the Company and to authorise the Board to fix their remuneration.
4. To authorise the Board to decide matters relating to the payment of interim dividends for the six months ending 30 June 2008.

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## NOTICE OF ANNUAL GENERAL MEETING

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5. To consider as special business and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

### ORDINARY RESOLUTIONS

(A) “**THAT:**

- (1) there be and is hereby granted to the Board an unconditional general mandate to exercise during the Relevant Period (as defined in paragraph (2) of this Resolution) all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company, and to make or grant offers, agreements, warrants and options in respect thereof, subject to the following conditions:
- (a) such mandate shall not extend beyond the Relevant Period save that the Board may during the Relevant Period make or grant offers, agreements, warrants or options which might require the exercise of such powers after the end of the Relevant Period;
  - (b) 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 such mandate, otherwise than pursuant to, or in consequence of:
    - (i) a rights issue, being an offer of shares open for a period fixed by the Board to shareholders 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 other arrangements as the Board may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations of the Cayman Islands);
    - (ii) an issue of shares to officers or employees of the Company or to officers or employees of any of its subsidiaries pursuant to the exercise of any subscription or conversion rights attaching to any warrants or any securities convertible into shares or the exercise of any rights under any option scheme or similar arrangement of the Company;
    - (iii) any scrip dividend or similar arrangements providing for the allotment and issue of shares in lieu of the whole or part of a dividend on shares in accordance with the articles of association of the Company; or

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## NOTICE OF ANNUAL GENERAL MEETING

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(iv) a specific authority granted by the shareholders of the Company in general meeting,

shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution and the said mandate shall be limited accordingly; and

- (2) for the purposes of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:
- (a) the conclusion of the next annual general meeting of the Company; or
  - (b) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this Resolution; or
  - (c) the expiration of the period within which the next annual general meeting of the Company is required by articles of association of the Company or any applicable law of the Cayman Islands to be held.”

**(B) “THAT:**

- (1) there be and is hereby granted to the Board an unconditional general mandate, subject to paragraph (2) below, to exercise during the Relevant Period (as defined in paragraph (3) of this Resolution) all the powers of the Company to purchase or otherwise acquire shares of HK\$0.1 each in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange” ) or any other stock exchange on which the shares of the Company may be listed and which is recognised by the Securities and Futures Commission in Hong Kong 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 (the “Listing Rules” ) or of any such other stock exchange as amended from time to time (the “Repurchase Mandate”);
- (2) the aggregate nominal amount of the shares of the Company which the Company is authorised to repurchase pursuant to the approval in paragraph (1) above, shall be no more than 10% of the aggregate amount of the issued share capital of the Company as at the date of passing this Resolution and the Repurchase Mandate shall be limited accordingly;
- (3) for the purposes of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:
  - (i) the conclusion of the next annual general meeting of the Company following the passing of this Resolution; or



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## NOTICE OF ANNUAL GENERAL MEETING

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- (ii) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this Resolution; or
  - (iii) the expiration of the period within which the next annual general meeting of the Company is required by its articles of association or any applicable law of the Cayman Islands to be held;” and
- (C) “**THAT** subject to the passing of the Ordinary Resolutions No. 5(A) and 5(B) set out in the notice convening this meeting, the aggregate nominal amount of shares in the capital of the Company which may be purchased or repurchased by the Company pursuant to Ordinary Resolution No. 5(B) set out in the notice convening this meeting shall be added to the aggregate nominal amount of the share capital of the Company that may be allotted or issued or agreed conditionally or unconditionally to be allotted or issued by the Directors pursuant to Ordinary Resolution No. 5(A) set in the notice convening this meeting, provided that the shares so added shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of this Resolution.”

By order of the Board of Directors  
**Cheng Sik Kong**  
*Company Secretary*

1 September 2008, Hong Kong

As at the date of this circular, the Executive Directors are Mr. Zhang Shuyang, Mr. Tung Chi Wai, Terrence and Mr. Leung Koon Sing, and the independent non-executive Directors are Mr. Chiu Chi Cheong Clifton, Mr. Martin He and Mr. Mu Xiangming.

**Notes:**

- (A) Any holder of the Company’s shares entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend and vote on his behalf. A proxy need not be a shareholder of the Company.
- (B) Where a shareholder of the Company appoints more than one proxy, his proxies may only vote in a poll.
- (C) To be valid, the forms of proxy for the use of shareholders of the Company and, if such proxy is signed by a person on behalf of the appointor pursuant to a power of attorney or other authority, a notarised copy of that power of attorney or other authority, must be delivered to the Company’s principal place of business in Hong Kong at Unit 606, 6th Floor, Regent Centre, Tower B, 63 Wo Yi Hop Road, Kwai Chung, New Territories, Hong Kong not less than 48 hours before the time scheduled for holding the AGM.

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## NOTICE OF ANNUAL GENERAL MEETING

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- (D) Completion and return of the form of proxy will not preclude a shareholder from attending and voting in person at the AGM, if he so wishes. If such shareholder attends the AGM, his form of proxy will be deemed to have been revoked.
- (E) A circular containing the information regarding the Directors proposed to be re-elected and the general mandates to issue and repurchase shares of the Company is being sent to the shareholders of the Company together with the Company's 2007 annual report.
- (F) In respect of Ordinary Resolution No. 5(A), the Directors wish to state that they have no immediate plans to issue any new shares of the Company.
- (G) In respect of Ordinary Resolution No. 5(B), the Directors wish to state that they will exercise powers conferred thereby to repurchase shares of the Company in circumstances in which they deem appropriate for the benefit of the shareholders. An explanatory statement containing the information necessary to enable shareholders to make an informed decision on whether to vote for or against the resolution to approve the repurchase by the Company of its own shares (as required by the Listing Rules) is set out in Appendix II to the circular of the Company dated 1 September 2008.