
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you have sold or transferred all your shares in CEC International Holdings Limited, you should at once hand this circular and the accompanying 2007/2008 Annual Report and form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for transmission to the purchaser.

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

CEC-COILS®
CEC INTERNATIONAL HOLDINGS LIMITED
CEC 國際控股有限公司*
(Incorporated in Bermuda with limited liability)
(Stock Code: 759)

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

A notice convening the Annual General Meeting of CEC International Holdings Limited to be held at 4th Floor, Hing Win Factory Building, 110 How Ming Street, Kwun Tong, Kowloon, Hong Kong, on Friday, 26th September, 2008 at 10:00 a.m. is set out on pages 13 to 17 of this circular.

Whether or not you are able to attend the Annual General Meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to Computershare Hong Kong Investor Services Limited, the Hong Kong branch share registrar of CEC International Holdings Limited, at Rooms 1806-07, 18th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting (or any adjournment thereof). Completion of a form of proxy will not preclude you from attending and voting at the Annual General Meeting (or any adjournment thereof) in person if you so wish.

* *For identification purpose only*

29th August, 2008

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DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held on Friday, 26th September, 2008 at 10:00 a.m., the notice of which is set out on pages 13 to 17 of this circular
“Board”	the board of Directors
“Company”	CEC International Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$” and “cents”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	26th August, 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“PRC”	the People’s Republic of China
“Repurchase Proposal”	the general and unconditional mandate proposed to be granted to the Directors to empower the Directors to repurchase the Shares, details of which are set out in the section headed “General Mandates to Issue and Repurchase Shares” of, and Appendix I to, this circular
“SFC”	the Securities and Futures Commission
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

DEFINITIONS

“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Shareholders”	holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent.

LETTER FROM THE BOARD

CEC-COILS®
CEC INTERNATIONAL HOLDINGS LIMITED
CEC 國際控股有限公司*
(Incorporated in Bermuda with limited liability)
(Stock Code: 759)

Executive Directors:

Mr. Lam Wai Chun (*Chairman*)
Ms. Tang Fung Kwan (*Deputy Chairman and
Managing Director*)
Ms. Li Hong

Registered Office:

Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

Independent Non-executive Directors:

Dr. Tang Tin Sek
Mr. Au Son Yiu
Mr. Lee Wing Kwan, Denis
Mr. Goh Gen Cheung
Professor Zhu Yuhe

Principal Place of Business in

Hong Kong:
2nd Floor, Hing Win Factory Building
110 How Ming Street
Kwun Tong
Kowloon
Hong Kong

29th August, 2008

To Shareholders

Dear Sir or Madam,

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

INTRODUCTION

The purpose of this circular is to provide the Shareholders with information regarding the resolutions to be proposed at the Annual General Meeting relating to, inter alia, (i) the grant of general mandates to the Directors to issue new Shares, (ii) the Repurchase Proposal and (iii) the re-election of retiring Directors to enable the Shareholders to make informed decisions on whether to vote for or against the resolutions.

* For identification purpose only

LETTER FROM THE BOARD

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

An ordinary resolution relating to a general mandate will be proposed which, subject to the said resolution being passed at the Annual General Meeting, empowers the Directors to allot, issue and deal with new Shares of not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the resolution during the period up to the conclusion of the next annual general meeting of the Company, or at the expiration of the period within which the next annual general meeting of the Company is required by the applicable laws or the Bye-laws of the Company to be held, or on the date of revocation or variation of the said resolution by passing an ordinary resolution in general meeting prior to the next annual general meeting, whichever is the earliest. As at the Latest Practicable Date, there were in issue an aggregate of 716,610,798 Shares. Assuming that no further Shares are issued or repurchased prior to the Annual General Meeting, no more than 143,322,159 Shares may be allotted and issued by the Company in exercising in full of the mandate.

At the Annual General Meeting, an ordinary resolution will be proposed to grant to the Directors a general mandate to repurchase the Shares on the Stock Exchange representing up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the resolution.

An explanatory statement in connection with the proposed ordinary resolution for the approval of the Repurchase Proposal is set out in Appendix I to this circular. The explanatory statement contains all the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolution.

Subject to the passing of the proposed ordinary resolutions regarding the Shares issue general mandate and the Repurchase Proposal, a separate resolution will also be proposed to grant a general mandate to the Directors to add all the aggregate nominal amount of Shares which may from time to time be purchased under the Repurchase Proposal to the 20% Shares issue general mandate.

RE-ELECTION OF RETIRING DIRECTORS

Pursuant to Bye-law 87 of the Company's Bye-laws, Mr. Lam Wai Chun, Ms. Tang Fung Kwan and Mr. Goh Gen Cheung shall retire by rotation at the Annual General Meeting and, all being eligible, offer themselves for re-election. The details of the aforesaid retiring directors who stand for re-election at the Annual General Meeting are set out in Appendix II to this circular.

LETTER FROM THE BOARD

NOTICE OF ANNUAL GENERAL MEETING

Notice of the Annual General Meeting is set out on pages 13 to 17 of this circular.

A form of proxy is enclosed with this circular for use at the Annual General Meeting. Whether or not you intend to be present at the Annual General Meeting, you are requested to complete and return the enclosed form of proxy to the office of the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Rooms 1806-07, 18th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, in accordance with the instructions printed thereon not less than 48 hours before the time appointed for the holding of the Annual General Meeting (or any adjournment thereof). Completion of a form of proxy will not preclude you from attending and voting at the Annual General Meeting (or any adjournment thereof) in person if you so wish.

PROCEDURES FOR DEMANDING A POLL

Pursuant to Bye-law 66 of the Company's Bye-laws, at any general meeting a resolution put to the vote at the meeting shall be decided on a show of hands unless voting by way of a poll is required by the rules of the Stock Exchange or (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (a) by the chairman of the meeting; or
- (b) by at least three Shareholders present in person (or in case of Shareholder being a corporation, by its duly authorised corporate 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 case of Shareholder being a corporation, by its duly authorised corporate 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 case of Shareholder being a corporation, by its duly authorised corporate 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; or
- (e) if required by the rules of the Stock Exchange, by the chairman of such meeting and/or any Director(s) who, individually or collectively, hold proxies in respect of Shares representing five per cent. or more of the total rights of the Shareholders having the right to vote at the meeting.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. 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 herein misleading.

RECOMMENDATION

The Directors are of the opinion that (i) the proposed general mandates to issue Shares, (ii) the Repurchase Proposal and (iii) the re-election of retiring Directors are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend you to vote in favour of all the relevant resolutions to be proposed at the Annual General Meeting.

Yours faithfully,
For and on behalf of the Board of
CEC International Holdings Limited
Tang Fung Kwan
Deputy Chairman and Managing Director

THE REPURCHASE PROPOSAL

At the Annual General Meeting, an ordinary resolution will be proposed for Shareholders' approval whereby the Directors will be given a general and unconditional mandate to exercise all powers of the Company to repurchase its issued Shares subject to the criteria set out in this appendix.

While it is not possible to anticipate in advance any specific circumstances in which the Directors might think it appropriate to repurchase Shares, the Directors believe that the grant of a general mandate to repurchase Shares would give the Company additional flexibility that would be beneficial. The repurchases may, depending on market conditions and funding arrangements of the Company at the 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 purchases in circumstances where they consider them to be in the best interests of the Company. On the basis of the consolidated financial position of the Company as at 30th April, 2008 (being the date to which the latest published audited financial statements of the Company have been made up) and in particular the working capital or gearing position of the Company at that time and the number of Shares now in issue, the Directors consider that there may be a material adverse impact on the working capital or gearing position of the Company in the event that the proposed purchases were to be carried out in full at any time during the proposed purchase period. However, no purchase would be made in circumstances that would have a material adverse impact on the working capital or gearing position of the Company (as compared with the financial position as at 30th April, 2008), nor if on the date on which the purchase is to be effected, there are reasonable grounds for believing that the Company is, or after the purchase would be, unable to pay its liabilities as they become due.

SOURCE OF FUNDS

Repurchase must be funded out of funds legally available for the purpose. Any repurchases will be made out of funds of the Company legally permitted in accordance with its memorandum of association and Bye-laws and the laws of Bermuda to be utilized in this connection, including profits available for distribution, sums standing to the credit of the shares premium account of the Company, the proceeds of a fresh issue of Shares made for the purpose of the repurchase or out of capital, if the Company is able, immediately following such payment, to pay its debts as they fall due in the ordinary course of business.

As at the Latest Practicable Date, there were in issue an aggregate of 716,610,798 Shares. Assuming that no further Shares are issued or repurchased prior to the Annual General Meeting, not more than 71,661,079 Shares may be repurchased on the Stock Exchange.

DIRECTORS AND CONNECTED PERSONS

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

No persons who are connected persons (as defined in the Listing Rules) of the Company have notified the Company that they have a present intention to sell Shares to the Company nor have they undertaken not to sell any of the Shares held by them to the Company in the event that the Repurchase Proposal is approved by the Shareholders.

UNDERTAKING TO THE STOCK EXCHANGE

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases pursuant to the Repurchase Proposal in accordance with the Listing Rules, all applicable laws of Bermuda, the jurisdiction in which the Company was incorporated, and the Memorandum of Association and Bye-laws of the Company.

HONG KONG CODE ON TAKEOVERS AND MERGERS

If, as a result of a share repurchase, a shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code and, if such increase results in a change in control, may in certain circumstances give rise to an obligation to make a general offer for Shares under Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, according to the register kept by the Company pursuant to section 336 of the SFO, (i) Mr. Lam Wai Chun ("Mr. Lam") and his spouse, Ms Law Ching Yee, are deemed to be interested in 470,110,848 Shares, representing approximately 65.60% of the issued share capital of the Company, of which 28,513,188 Shares are beneficially owned by Mr. Lam and 441,597,660 Shares are ultimately held by his family trust through Ka Yan China Development (Holding) Company Limited, a wholly-owned subsidiary of Ka Yan China Investments Limited, for the purpose of the SFO; and (ii) each of Ka Yan China Investments Limited, the ultimate holding company of the Company, and HSBC International Trustee Limited, the trustee of Mr. Lam's family trust, is deemed to be interested in 437,217,660 Shares, representing approximately 61.01% of the issued share capital of the Company, and duplicates each other forming part of the Shares in which Ka Yan China Development (Holding) Company Limited is interested. As at the Latest Practicable Date, the actual duplicate interests held by Ka Yan China Investments Limited and HSBC International Trustee Limited in the Company is 441,597,660 Shares which are also the same Shares held by Ka Yan China Development (Holding) Company Limited as mentioned above.

In the event that the Directors exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the Repurchase Proposal, assuming the present shareholdings otherwise remain the same, the interests of Mr. Lam and Ms Law Ching Yee together with his family trust in the Company through Ka Yan China Development (Holding) Company Limited would be increased to approximately 72.89% of the issued share capital of the Company. The Directors consider that such increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors will not repurchase the Shares on the Stock Exchange if the repurchase would result in the number of the listed Shares which are in the hands of the public falling below 25% under the Listing Rules.

MISCELLANEOUS

During the six months preceding the Latest Practicable Date, no Share was purchased by the Company.

During each of the previous twelve months ended 31st July, 2008 and the current month up to the Latest Practicable Date, the highest and lowest prices at which the Shares traded on the Stock Exchange were as follows:

Month	Per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2007		
August	0.3350	0.1900
September	0.2850	0.2410
October	0.3550	0.2400
November	0.3400	0.2550
December	0.2900	0.2480
2008		
January	0.2850	0.2050
February	0.2500	0.2150
March	0.2500	0.2000
April	0.2340	0.1940
May	0.2800	0.1900
June	0.2950	0.2000
July	0.2650	0.2010
August (up to the Latest Practicable Date)	0.2200	0.1750

The following is the information as required to be disclosed under the Listing Rules on the retiring Directors standing for re-election at the Annual General Meeting:

Mr. LAM Wai Chun, aged 49, was appointed as an executive Director with effect from 29th September, 1999, and has been the Chairman of the Company since 4th October, 1999. Mr. Lam founded the Group in 1979 and has over 37 years of experience in the coils manufacturing industry. Mr. Lam is also a director of a number of other subsidiaries of the Company, including Coils Electronic Co., Limited, CEC-Coils Singapore Pte Ltd., Coils Electronic (Zhong Shan) Co., Ltd., Xiamen Coils Electronic Co., Ltd. and 南京國仲磁性材料製品有限公司(Nanjing Guo Zhong Magnetic Material Co., Ltd.).

As at the Latest Practicable Date, Mr. Lam has a total interest in 470,110,848 Shares (representing approximately 65.60% of the issued share capital of the Company), which comprised (i) a personal interest in 28,513,188 Shares and (ii) a trust interest in 441,597,660 Shares (for being a founder of his family trust), and is deemed to have an interest in 14,000,000 non-voting deferred shares of Coils Electronic Co., Limited, an associate corporation (as defined under the SFO) of the Company, within the meaning of Part XV of the SFO and holds shares in certain subsidiaries of the Group as trustee for their holding companies. Mr. Lam's trust interest in 441,597,660 Shares (representing approximately 61.62% of the issued share capital of the Company) was ultimately held by his family trust through Ka Yan China Development (Holding) Company Limited, a wholly-owned subsidiary of Ka Yan China Investments Limited. According to the register kept by the Company pursuant to Section 336 of the SFO, each of Ka Yan China Investments Limited, the ultimate holding company of the Company, and HSBC International Trustee Limited, the trustee of Mr. Lam's family trust, is deemed to be interested in 437,217,660 Shares, representing approximately 61.01% of the issued share capital of the Company, as at Latest Practicable Date and duplicates each other forming part of the Shares in which Ka Yan China Development (Holding) Company Limited is interested. As at the Latest Practicable Date, the actual duplicate interests held by Ka Yan China Investments Limited and HSBC International Trustee Limited in the Company is 441,597,660 Shares which are also the same Shares held by Ka Yan China Development (Holding) Company Limited as mentioned above. Mr. Lam is the sole director of Ka Yan China Development (Holding) Company Limited, and his spouse, Ms. Law Ching Yee, is deemed a substantial shareholder due to Mr. Lam's interests in the Company for the purpose of SFO. Save as disclosed above, Mr. Lam is not related to any Directors, senior management, substantial or controlling shareholders of the Company and did not hold any directorship in any other listed public companies in the three years preceding the Latest Practicable Date.

Mr. Lam entered into a service agreement with the Company on 27th September, 1999 for an initial period of three years commencing on 1st October, 1999 and thereafter until terminated by either party giving to the other not less than six months' notice in writing terminating on or after the expiry of the initial term of three years. Under the service agreement, Mr. Lam is entitled to an annual remuneration of HK\$1,001,000, reimbursement of insurance premium and an annual management bonus, which was determined by the Board by reference to his duties and responsibilities with the Company, the Company's remuneration policy and the market benchmark. The annual management bonus equivalent to 2% of the audited consolidated profit of the Group attributable to shareholders (after taxation but before extraordinary items and before such management bonus) (the "Net Profit") if the Net Profit for the relevant financial year exceeds HK\$50,000,000 and 4% of the Net Profit if the Net Profit for the relevant year exceeds HK\$70,000,000. Since then, no management bonus has been paid to Mr. Lam.

Save as disclosed above, Mr. Lam confirmed that there is no other matter relating to his re-election that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements of rule 13.51(2)(h) to (v) of the Listing Rules.

Ms. TANG Fung Kwan, aged 38, was appointed as an executive Director with effect from 29th September, 1999, and has been the Managing Director and Deputy Chairman of the Company since 5th May, 2003 and 1st August, 2003 respectively. She is responsible for the Group's overall strategic planning, corporate development, sales and marketing as well as formulation of corporate policies. Ms. Tang has been admitted to the degree of Bachelor of Social Sciences with Honours in The University of Hong Kong in 1992, the degree of International Master of Business Administration in The University of South Australia, Australia, in 1998, the degree of Bachelor of Laws (LLB) in The Manchester Metropolitan University, United Kingdom, in 2006, and the Postgraduate Certificate in Laws in The University of Hong Kong in 2008. She joined the Group in 1993. Ms. Tang is also a director of a number of other subsidiaries of the Company and a member of the Remuneration Committee and the chairman of Accounts Receivable Supervisory Committee of the Company.

As at the Latest Practicable Date, Ms. Tang personally interested in 3,502,611 Shares (representing approximately 0.5% of the issued share capital of the Company) within the meaning of Part XV of the SFO. Ms. Tang is not related to any Directors, senior management, substantial or controlling shareholders of the Company and did not hold any directorship in any other listed public companies in the three years preceding the Latest Practicable Date.

On 28th April, 2008, Ms. Tang entered into a service agreement with the Company for a term of three years commencing on 1st May, 2008 until terminated by either party giving to the other a prior notice of three months (or such shorter period as the parties may agree in writing from time to time) in writing, but in any event not exceeding its term. Under the service agreement, Ms. Tang is entitled to HK\$125,000 per month as director's remuneration, which was approved by the Remuneration Committee of the Company by reference to her duties and responsibilities with the Company, the Company's remuneration policy and market benchmark. Ms. Tang shall be subject to retirement by rotation and eligible for re-election at the Company's annual general meeting every three years.

Save as disclosed above, Ms. Tang confirmed that there is no other matter relating to her re-election that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements of rule 13.51(2)(h) to (v) of the Listing Rules.

Mr. GOH Gen Cheung, aged 61, was appointed as an independent non-executive director of the Company with effect from 1st December, 2005 and is a member of the Audit Committee and the Remuneration Committee of the Company. Mr. Goh has over 30 years of treasury, finance and banking experience. He is an associate member of The Hong Kong Institute of Bankers and obtained a Master's degree in Business Administration from the University of East Asia, Macau in 1987. Mr. Goh is also an independent non-executive director of Shinhint Acoustic Link Holdings Limited, Peaktop International Holdings Limited, Karce International Holdings Company Limited, China Flavors and Fragrances Company Limited, all of which are companies whose shares are listed on the Stock Exchange, and Standard Bank Asia Limited.

As at the Latest Practicable Date, Mr. Goh does not have any interests in the Shares within the meaning of Part XV of the SFO and is not related to any directors, senior management, substantial or controlling Shareholders of the Company. Mr. Goh was the head of treasury of Standard Chartered Bank (Hong Kong) Limited from January 1988 to June 1995. He was also an independent non-executive director of Sun East Technology (Holdings) Limited, which is a company whose shares are listed on the Stock Exchange, during the three years preceding the Latest Practicable Date. Mr. Goh was an independent non-executive director of Wah Lee Resources Holdings Limited (now known as Kai Yuan Holdings Limited) (“Wah Lee”) from August 1996 to October 2000. Wah Lee had been put into provisional liquidation for a period of six months from April 2000 to October 2000. He resigned from the post of independent non-executive director of Wah Lee with effect from the date on which the restructuring of Wah Lee was successfully completed in October 2000. He was not involved in any investigation by the Stock Exchange, the SFC, the provisional liquidators or any of the other regulators.

Mr. Goh is not appointed for a specific term, but shall be subject to retirement by rotation in accordance with the Company’s Bye-laws. There is no service contract made between the Company and him. Mr. Goh receives a director’s fee of HK\$420,000 per annum, the rate of which was approved by the Shareholders at the annual general meeting of the Company held in 2007. The aforesaid director’s fee of Mr. Goh was recommended by the Remuneration Committee of the Company and determined by the Board by reference to his duties and responsibilities with the Company, the Company’s remuneration policy and the market benchmark.

Save as disclosed above, Mr. Goh confirmed that there is no other matter relating to his re-election that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements of rule 13.51(2)(h) to (v) of the Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING

CEC-COILS®
CEC INTERNATIONAL HOLDINGS LIMITED
CEC 國際控股有限公司*
(Incorporated in Bermuda with limited liability)
(Stock Code: 759)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of CEC International Holdings Limited (the “Company”) will be held at 4th Floor, Hing Win Factory Building, 110 How Ming Street, Kwun Tong, Kowloon, Hong Kong, on Friday, 26th September, 2008 at 10:00 a.m. for the following purposes:

As ordinary business

1. To receive and adopt the audited financial statements of the Company and the Report of the Directors and the Independent Auditor’s Report for the year ended 30th April, 2008.
2. To declare a final dividend for the year ended 30th April, 2008.
3. To re-elect the retiring Directors.
- 4A. To approve the payment of a director’s fee of HK\$420,000 per annum for each of the independent non-executive Directors until the conclusion of the next annual general meeting of the Company.
- 4B. To approve an increase in the additional remuneration for each of the chairman of the Audit Committee and Remuneration Committee at the rate from HK\$60,000 to HK\$78,000 per annum and HK\$48,000 to HK\$60,000 per annum respectively with effect from 1st October, 2008 until the conclusion of the next annual general meeting of the Company.
5. To re-appoint PricewaterhouseCoopers as the auditor of the Company to hold office until the conclusion of the next annual general meeting of the Company and to authorise the Board of Directors of the Company to fix its remuneration.

* For identification purpose only

NOTICE OF ANNUAL GENERAL MEETING

As special business

To consider and, if thought fit, pass with or without amendments, the following resolutions as Ordinary Resolutions:

ORDINARY RESOLUTIONS

6. “THAT:

- (i) subject to paragraph (iii) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company or securities convertible into shares of the Company and to make or grant offers, agreements and options, including warrants to subscribe for shares or securities convertible into or exchangeable for shares of the Company, which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (ii) the approval in paragraph (i) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options, including warrants to subscribe for shares or securities convertible into or exchangeable for shares of the Company, which might require the exercise of such powers after the end of the Relevant Period;
- (iii) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (i) above, otherwise than pursuant to (a) a Rights Issue (as hereinafter defined); (b) the exercise of any options granted under the share option scheme adopted by the Company; (c) the exercise of rights of subscription or conversion under the terms of any warrants or any securities convertible into shares of the Company or any similar instruments requiring the Company to issue shares; or (d) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares in accordance with the Company’s Bye-laws, shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this Resolution, and the said approval shall be limited accordingly; and
- (iv) for the purposes of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the expiration of the period within which the next annual general meeting of the Company is required by the applicable laws or the Bye-laws of the Company to be held; and
- (c) the date on which the authority set out in this Resolution is revoked or varied by passing an ordinary resolution of the Company in general meeting;

“Rights Issue” means an offer of shares in the capital of the Company open for a period fixed by the Directors to holders of shares in the Company whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

7. **“THAT:**

- (i) subject to paragraph (ii) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase the issued shares of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the shares of the Company may be listed and which is recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (ii) the aggregate nominal amount of shares of the Company which are authorised to be repurchased by the Directors pursuant to the approval in paragraph (i) above during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this Resolution, and the said approval shall be limited accordingly; and
- (iii) for the purposes of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;

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- (b) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the Bye-laws of the Company to be held; and
 - (c) the date on which the authority set out in this Resolution is revoked or varied by passing an ordinary resolution of the Company in general meeting.”
8. “**THAT** conditional upon the passing of the Resolutions numbered 6 and 7 set out in the notice of convening this meeting, the general mandate granted to the Directors and for the time being in force to exercise the powers of the Company to allot, issue and deal with new shares pursuant to the Resolution numbered 6 set out in the said notice be and is hereby extended by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandate of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to the said Resolution numbered 7, provided that such extended amount shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this Resolution.”

By Order of the Board
Li Lai Sheung
Company Secretary

Hong Kong, 29th August, 2008

Principal Place of Business in Hong Kong:
2nd Floor, Hing Win Factory Building
110 How Ming Street
Kwun Tong
Kowloon
Hong Kong

Notes:

1. Any member entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and, including on a poll, vote in his stead. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf. A proxy need not be a member of the Company.
2. A form of proxy for the meeting is enclosed herewith. Completion and return of the form of proxy will not preclude a member from attending the meeting if he so wishes. In the event that a member who has lodged a form of proxy attends the meeting, his form of proxy will be deemed to have been revoked.

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3. To be valid, a form of proxy, together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of that power or authority must be deposited at the office of the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Rooms 1806-07, 18th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 48 hours before the time appointed for the holding of the meeting or any adjourned meeting thereof.
4. In the case of joint holders of any share, any one of such holders may vote at the meeting either personally 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 personally or by proxy, the said holder whose name stands first in the register of members of the Company shall alone be entitled to vote in respect of that share.
5. For the purpose of determining the entitlements to the proposed final dividend and the entitlement to vote at the meeting, the register of members of the Company will be closed from Monday, 22nd September, 2008 to Friday, 26th September, 2008, both dates inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend and to attend and vote at the meeting, all completed transfer forms of shares (together with the relevant share certificates) must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration by no later than 4:00 p.m. on Friday, 19th September, 2008.
6. Members of the Company are advised to read the circular dated 29th August, 2008 which contains information concerning the relevant resolutions to be proposed in this notice.

As at the date of this Notice, the board of directors of the Company comprises three Executive Directors, namely Mr. Lam Wai Chun (Chairman), Ms. Tang Fung Kwan (Deputy Chairman and Managing Director) and Ms. Li Hong, and five Independent Non-executive Directors, namely Mr. Au Son Yiu, Mr. Lee Wing Kwan, Denis, Dr. Tang Tin Sek, Mr. Goh Gen Cheung and Professor Zhu Yuhe.