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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in 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 Chevalier International Holdings Limited, you should at once hand this circular and the enclosed proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**CHEVALIER INTERNATIONAL HOLDINGS LIMITED**

**其士國際集團有限公司\***

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 025)

*Executive Directors*

CHOW Yei Ching (*Chairman and Managing Director*)  
KUOK Hoi Sang (*Vice Chairman and Managing Director*)  
TAM Kwok Wing (*Deputy Managing Director*)  
CHOW Vee Tsung, Oscar  
FUNG Pak Kwan  
KAN Ka Hon  
HO Chung Leung

*Independent Non-Executive Directors*

CHOW Ming Kuen, Joseph *O.B.E., J.P.*  
LI Kwok Heem, John  
SUN Kai Dah, George

*Registered Office*

Canon's Court  
22 Victoria Street  
Hamilton, HM 12  
Bermuda

*Principal Place of Business*

22nd Floor  
Chevalier Commercial Centre  
8 Wang Hoi Road  
Kowloon Bay  
Hong Kong

30th July, 2007

*To the Shareholders*

Dear Sir/Madam,

**PROPOSALS RELATING TO  
RE-ELECTION OF RETIRING DIRECTORS  
GENERAL MANDATES TO ISSUE SHARES AND  
REPURCHASE SHARES**

**NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The Directors wish to seek the approval of shareholders to re-elect the retiring directors, to obtain general mandates to the Directors of the Company to issue and repurchase shares of HK\$1.25 each in the share capital of the Company (the "Share(s)").

This circular is to provide the shareholders with all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the resolutions as mentioned herein and which, inter alia, will be dealt with at the annual general meeting of the Company to be held at 22nd Floor, Chevalier Commercial Centre, 8 Wang Hoi Road, Kowloon Bay, Hong Kong on Wednesday, 29th August, 2007 at 3:30 p.m. (the "2007 Annual General Meeting").

\* For identification purpose only

## RE-ELECTION OF RETIRING DIRECTORS

In accordance with Bye-law 112 of the Bye-laws of the Company, Messrs CHOW Vee Tsung, Oscar, KAN Ka Hon, HO Chung Leung and LI Kwok Heem, John who have been longest in office since their last election, will retire by rotation at the 2007 Annual General Meeting and being eligible, offer themselves for re-election. Ordinary Resolutions will therefore be proposed at the 2007 Annual General Meeting to re-elect Messrs Chow, Kan, Ho and Li as Directors of the Company. Pursuant to Rule 13.74 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules"), the details of such Directors are set out below:-

1. **Mr CHOW Vee Tsung, Oscar**, Executive Director, aged 33, joined Chevalier Group in 2000 and is the Managing Director of Chevalier Pacific Holdings Limited ("CPHL") (Stock Code: 508), a public company listed on the Stock Exchange. Mr Chow is also a director of certain companies of the Group and CPHL Group. Mr Chow holds a degree in Master of Engineering from the University of Oxford, U.K. He is currently the Chairman of the Environment Committee of the Hong Kong General Chamber of Commerce, a General Committee Member of the Chinese Manufacturers' Association of Hong Kong and The Chamber of Hong Kong Listed Companies. He is also a Council Member of the Hong Kong Productivity Council and a Committee Member of the Infrastructure Development Advisory Committee of Hong Kong Trade Development Council. He is the son of Dr. Chow Yei Ching, the Chairman and Managing Director of the Company and the Chairman of CPHL.

Save as disclosed above and as at 26th July, 2007, being the latest practicable date prior to the printing of this circular (the "Latest Practicable Date"), Mr Chow has not held any directorship in any listed public companies in the last three years and does not hold any position in any member of the Group nor does he have any relationship with any other Director, senior management, substantial shareholders or controlling shareholders of the Company and any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO"). There is neither any service contract between the Company and Mr Chow nor any specified term for the length or proposed length of service with the Company in respect of the directorship. Mr Chow is subject to retirement by rotation at least once every three years at the annual general meeting of the Company since last re-election in accordance with the Company's Bye-laws. The director's annual emoluments of HK\$1,575,000 were paid to Mr Chow during the year ended 31st March, 2007 as determined by the Remuneration Committee of the Board with reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions.

2. **Mr KAN Ka Hon**, Executive Director and Company Secretary, aged 56, joined Chevalier Group in 1986 and is also an Executive Director and Company Secretary of CPHL (Stock Code: 508), a public company listed on the Stock Exchange and a subsidiary of the Company. Mr Kan is a Director and Company Secretary of certain companies of the Group and CPHL Group. He is responsible for management of the Chevalier Group's accounting and treasury, corporate finance, investment, pension fund and company secretarial activities. Mr Kan holds a Bachelor Degree in Science from The University of Hong Kong and is a fellow member of The Association of Chartered Certified Accountants in the U.K. and a member of the Hong Kong Institute of Certified Public Accountants. He has a personal interest of 29,040 shares of the Company and of 451,200 shares of CPHL within the meaning of Part XV of the SFO. He is an Independent Non-Executive Director of Victory City International Holdings Limited (Stock Code: 539) and Easyknit Enterprises Holdings Limited (Stock Code: 616), both are public companies listed on the Stock Exchange.

Save as disclosed above and as at the Latest Practicable Date, Mr Kan has not held any directorship in any listed public companies in the last three years and does not hold any position in any member of the Group nor does he have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company and any interests in the shares of the Company within the meaning of Part XV of the SFO. There is neither any service contract between the Company and Mr Kan nor any specified term for the length or proposed length of service with the Company in respect of the directorship. Mr Kan is subject to retirement by rotation at least once every three years at the annual general meeting of the Company since last re-election in accordance with the Company's Bye-laws. The director's annual emoluments of HK\$2,356,000 were paid to Mr Kan during the year ended 31st March, 2007 as determined by the Remuneration Committee of the Board with reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions.

3. **Mr HO Chung Leung**, Executive Director, aged 57, joined Chevalier Group in 1985. Mr Ho is also a Director of certain companies of the Group. He is responsible for management of Chevalier Group's accounting and treasury activities. Mr Ho is a fellow member of The Association of Chartered Certified Accountants in the U.K. and a member of the Hong Kong Institute of Certified Public Accountants. He has a personal interest of 40,000 shares of the Company within the meaning of Part XV of the SFO.

Save as disclosed above and as at the Latest Practicable Date, Mr Ho has not held any directorship in any listed public companies in the last three years and does not hold any position in any member of the Group nor does he have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company and any interests in the shares of the Company within the meaning

of Part XV of the SFO. There is neither any service contract between the Company and Mr Ho nor any specified term for the length or proposed length of service with the Company in respect of the directorship. Mr Ho is subject to retirement by rotation at least once every three years at the annual general meeting of the Company since last re-election in accordance with the Company's Bye-laws. The director's annual emoluments of HK\$1,899,000 were paid to Mr Ho during the year ended 31st March, 2007 as determined by the Remuneration Committee of the Board with reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions.

4. **Mr LI Kwok Heem, John**, aged 52, was appointed as an Independent Non-Executive Director in 2004 and a member of the Audit Committee and Remuneration Committee of the Company. Except being an Independent Non-Executive Director of China National Aviation Company Limited (Stock Code: 1110) which was privatized with effect from 25 January 2007, he is an Independent Non-Executive Director of China Merchants Holdings (International) Company Limited (Stock Code: 144) which is listed on the Stock Exchange. Previously, he was a partner at PricewaterhouseCoopers, Certified Public Accountants. He graduated from the Imperial College of the University of London with a Bachelor of Science degree and is a Fellow of the Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants. He also obtained a Master of Business Administration degree from the Wharton School of Business of the University of Pennsylvania. Mr Li is the Chairman of the United Christian Medical Service and United Christian Hospital and is also a member of the Board of Trustees of Chung Chi College, The Chinese University of Hong Kong.

Save as disclosed above and as at the Latest Practicable Date, Mr Li has not held any directorship in any listed public companies in the last three years and does not hold any position in any member of the Group nor does he have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company and any interests in the shares of the Company within the meaning of Part XV of the SFO. There is neither any service contract between the Company and Mr Li nor any specified term for the length or proposed length of service with the Company in respect of the directorship. Mr Li is subject to retirement by rotation at least once every three years at the annual general meeting of the Company since last re-election in accordance with the Company's Bye-laws. The director's annual emoluments of HK\$150,000 were paid to Mr Li during the year ended 31st March, 2007 as determined by the Remuneration Committee of the Board with reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions.

In relation to the re-election of the above Directors, there is no information to be disclosed pursuant to any of the requirements of the provisions of rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the shareholders of the Company.

## **SHARE ISSUE MANDATE**

Resolution 5 to be proposed at the 2007 Annual General Meeting ("Resolution 5") relates to the granting of a general mandate which will empower the Directors of the Company to issue new Shares not exceeding 20 per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of the resolution (including making and granting offers, agreements and options which would or might require Shares to be issued, allotted or disposed of) during the period up to 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 law to be held, or on revocation of Resolution 5 by an ordinary resolution of the shareholders at general meeting, whichever is the earliest.

As at the Latest Practicable Date, there were 278,582,090 Shares in issue. Therefore, subject to the passing of the proposed Resolution 5 at the 2007 Annual General Meeting and on the assumption that no additional Shares will be issued and that prior to the date of the proposed resolution, no Shares will be repurchased by the Company, the Company would be allowed under the mandate to issue a maximum of 55,716,418 Shares.

## **REPURCHASE OF SHARES**

The Company is allowed by its Memorandum of Association and Bye-laws and the applicable laws and regulations of Bermuda to repurchase its own Shares. Its Bye-laws also allow it to provide financial assistance for the purpose of purchasing its own Shares.

Resolution 6 to be proposed at the 2007 Annual General Meeting ("Resolution 6") relates to the granting of a general mandate to the Directors of the Company to repurchase, on the Stock Exchange, the Shares up to a maximum of 10 per cent of the issued share capital of the Company as at the date of the proposed resolution ("the Repurchase Proposal").

The Shares to be purchased by the Company are fully paid-up. As at the Latest Practicable Date, there were 278,582,090 Shares in issue. Therefore, subject to the passing of the proposed Resolution 6 at the 2007 Annual General Meeting and on the assumption that no additional Shares will be issued and that prior to the date of the proposed resolution, no Shares will be repurchased by the Company, the Company would be allowed under the mandate to repurchase a maximum of 27,858,209 Shares.

## **REASONS FOR REPURCHASE**

The Directors of the Company believe that the Repurchase Proposal is in the interests of the Company and its shareholders. Trading conditions on the Stock Exchange have sometimes been volatile in recent years and there have been occasions when Shares were trading at a substantial discount to their underlying net asset value. Repurchases of the Shares may enhance the Company's net asset value per Share and earnings per Share. In these circumstances, the ability of the Company to repurchase the Shares can be beneficial to those shareholders who retain their investment in the Company since their percentage interest in the assets of the Company would increase in proportion to the number of Shares repurchased by the Company. Furthermore, exercise of the mandate granted under the Repurchase Proposal by the Directors of the Company would increase the trading volume of the Shares on the Stock Exchange.

The Directors of the Company do not expect there to be any material adverse impact on the working capital or gearing position of the Company, as compared with the position disclosed in the latest audited financial statements of the Company for the year ended 31st March, 2007, as a result of repurchases made under the Repurchase Proposal even if the mandate is exercised in full. 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 position disclosed in the latest published audited financial statements) unless the Directors of the Company consider that such purchases would be in the best interests of the Company notwithstanding such material adverse impact.

## **FUNDING OF REPURCHASES**

In repurchasing the Shares, the Company may only apply funds legally available for such purpose in accordance with its Memorandum of Association and Bye-laws and the applicable laws and regulations of Bermuda which provide that the Shares may be repurchased out of the profits of the Company and/or out of the proceeds of a fresh issue of the Shares made for this purpose and/or even out of the capital paid up on the repurchased Shares.

## **DISCLOSURE OF INTERESTS**

The Directors of the Company have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases pursuant to the proposed Resolution 6 in accordance with the Listing Rules and all applicable laws.

None of the Directors of the Company nor, to the best of their knowledge having made all reasonable enquiries, any of their associates presently intend to sell the Shares to the Company under the Repurchase Proposal in the event that the Repurchase Proposal is approved by shareholders at the 2007 Annual General Meeting.

Meanwhile, the Company has not been notified by any connected persons of the Company that they have a present intention to sell any Shares, or that they have undertaken not to sell any Shares held by them to the Company, in the event that the Repurchase Proposal is approved by shareholders at the 2007 Annual General Meeting.

If, on the exercise of the powers granted under the Repurchase Proposal, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of rule 32 of the Hong Kong Code on Takeovers and Mergers (the "Takeovers Code"). As a result, a shareholder or a group of shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of such increase, may obtain or consolidate control of the Company and thereby obliged to make a mandatory general offer in accordance with rule 26 of the Takeovers Code.

As at the Latest Practicable Date and insofar the Directors of the Company are aware of, the substantial shareholders of the Company are as follows:–

Name of Substantial Shareholder	Capacity	Number of Shares held	Number of underlying Shares held (under equity derivatives of the Company)	% of Issued Share Capital at present (%)	if power is exercised in full to repurchase Shares (%)
CHOW Yei Ching	Beneficial owner	150,356,359(L)	–	53.97(L)	59.97(L)
MIYAKAWA Michiko	Beneficial owner	150,356,359(L) (Note 1)	–	53.97(L)	59.97(L)
The Goldman Sachs Group, Inc.	Interest of controlled corporation	–	26,993,989(L) 2,306,933(S) (Note 2)	9.69(L) 0.83(S)	10.77(L) 0.92(S)
Goldman Sachs (UK) L.L.C.	Interest of controlled corporation	–	23,992,101(L) 2,306,933(S) (Note 3)	8.61(L) 0.83(S)	9.57(L) 0.92(S)
Goldman Sachs Group Holdings (U.K.)	Interest of controlled corporation	–	23,992,101(L) 2,306,933(S) (Note 3)	8.61(L) 0.83(S)	9.57(L) 0.92(S)
Goldman Sachs Holdings (U.K.)	Interest of controlled corporation	–	23,992,101(L) 2,306,933(S) (Note 3)	8.61(L) 0.83(S)	9.57(L) 0.92(S)
Goldman Sachs International	Beneficial owner	–	23,992,101(L) 2,306,933(S) (Note 3)	8.61(L) 0.83(S)	9.57(L) 0.92(S)
The Goldman, Sachs & Co. L.L.C.	Interest of controlled corporation	3,001,888(L) (Note 4)	–	1.08(L)	1.20(L)
Goldman Sachs & Co	Beneficial owner	3,001,888(L) (Note 4)	–	1.08(L)	1.20(L)

*Notes:*

- (1) Under Part XV of the SFO, Ms Miyakawa Michiko, the spouse of Dr Chow, is deemed to be interested in the same parcel of 150,356,359 Shares held by Dr Chow.
- (2) The Goldman Sachs Group, Inc. is taken to have an interest in the 3,001,888 Shares held by Goldman Sachs & Co and the 21,685,168 Shares that would be held by Goldman Sachs International upon full conversion of the Convertible Bonds (as defined below) held by Goldman Sachs International. The Convertible Bonds are issued by the Company to Goldman Sachs International on 26th July, 2006. Goldman Sachs & Co and Goldman Sachs International are both wholly-owned subsidiaries of The Goldman Sachs Group, Inc.
- (3) Goldman Sachs (UK) L.L.C., Goldman Sachs Group Holdings (U.K.) and Goldman Sachs Holdings (U.K.) are taken to be interested in the 21,685,168 Shares that would be held by Goldman Sachs International upon full conversion of the Convertible Bonds. Goldman Sachs International is 99% owned by Goldman Sachs Holdings (U.K.) and 100% held by Goldman Sachs Group Holdings (U.K.) and Goldman Sachs (UK) L.L.C..
- (4) The Goldman, Sachs & Co. L.L.C. is taken to be interested in the 3,001,888 Shares held by Goldman Sachs & Co. Goldman Sachs & Co is owned as to 99.8% by The Goldman Sachs Group, Inc. and the remaining 0.2% by The Goldman, Sachs & Co. L.L.C. (which is a wholly-owned subsidiary of The Goldman Sachs Group, Inc.).

The letter “L” denotes a long position and the letter “S” denotes a short position.

In the event that the Directors of the Company shall exercise in full such powers under the Repurchase Proposal and on the basis that there is no other change in the then issued share capital of the Company, the interest of the above substantial shareholders would be increased to approximately the percentage shown in the last column above. The Directors of the Company consider that such increase would not give rise to an obligation to make a mandatory offer under rule 26 of the Takeovers Code. The number of Shares held by the public would not fall below 25% of the issued share capital of the Company.

## SHARE PRICES

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

	Highest HK\$	Lowest HK\$
July 2006	10.55	9.00
August 2006	9.45	8.80
September 2006	9.34	9.01
October 2006	9.28	8.76
November 2006	9.00	8.70
December 2006	8.98	7.86
January 2007	8.55	7.70
February 2007	8.42	8.06
March 2007	8.20	7.70
April 2007	8.23	7.92
May 2007	9.04	7.96
June 2007	9.24	8.50
July 2007 (up to the Latest Practicable Date)	9.50	8.52

## REPURCHASE OF SHARES MADE BY THE COMPANY

The Company has not purchased any of its Shares (whether on the Stock Exchange or otherwise) in the six months preceding the date of this circular.

## EXTENSION OF SHARE ISSUE MANDATE

Resolution 7 to be proposed at the 2007 Annual General Meeting (“Resolution 7”) relates to the extension of the 20 per cent general mandate to be granted. Subject to the passing at the 2007 Annual General Meeting of Resolution 5, Resolution 6 and Resolution 7, the Directors of the Company will be given a general mandate to add all those number of Shares which may from time to time be purchased under the Repurchase Proposal to the 20 per cent general mandate, thus, the limit of the share issue mandate would include, in addition to the 20 per cent limit as aforesaid, the number of Shares repurchased under the Repurchase Proposal.

## 2007 ANNUAL GENERAL MEETING

The notice convening the 2007 Annual General Meeting is set out on pages 7 to 8 of this circular.

A form of proxy for use at the 2007 Annual General Meeting is being sent to the shareholders together with this circular. Whether or not you are able to attend the meeting, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company’s Branch Share Registrars in Hong Kong, Standard Registrars Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the meeting or any adjourned meeting. Completion and delivery of the form of proxy will not preclude you from attending and voting at the 2007 Annual General Meeting if you so wish.

## PROCEDURES BY WHICH SHAREHOLDERS MAY DEMAND POLL

Pursuant to Bye-law 76 of the Bye-law of the Company, a resolution put to vote at a general meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:

- (i) the chairman of the meeting; or
- (ii) at least three shareholders present in person or by proxy or by representative for the time being entitled to vote at the meeting; or
- (iii) any shareholder or shareholders present in person or by proxy or by representative and representing not less than one-tenth of the total voting rights of all the shareholders having the right to vote at the meeting; or
- (iv) any shareholder or shareholders present in person or by proxy or by representative 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.

If a poll is demanded otherwise than on the election of a chairman of the meeting or on any question of adjournment, it shall be taken in such manner at such time and place, not being more than 30 days from the date of the meeting or adjourned meeting at which the poll was demanded, as the chairman of the meeting directs. No notice needs to be given of a poll not taken immediately. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn.

Unless a poll is so demanded and the demand is not withdrawn, a declaration of the result on a show of hands by the chairman of the meeting and an entry to that effect in the minutes book shall be conclusive evidence of the voting result.

## RECOMMENDATION

The Directors consider that the re-election of the retiring Directors, the Share Issue Mandate, the Repurchase Proposal and the Extension of Share Issue Mandate are in the best interests of the Company and its shareholders and accordingly recommend all the shareholders to vote in favour of the relevant resolutions to be proposed at the 2007 Annual General Meeting.

Yours faithfully  
For and on behalf of the Board  
**Chevalier International Holdings Limited**  
**CHOW Yei Ching**  
*Chairman and Managing Director*

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## NOTICE OF 2007 ANNUAL GENERAL MEETING

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### CHEVALIER INTERNATIONAL HOLDINGS LIMITED

其士國際集團有限公司\*

(Incorporated in Bermuda with limited liability)

(Stock Code: 025)

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of the Shareholders of the Company will be held at 22nd Floor, Chevalier Commercial Centre, 8 Wang Hoi Road, Kowloon Bay, Hong Kong on Wednesday, 29th August, 2007 at 3:30 p.m. for the following purposes:-

#### As Ordinary Business

1. To receive and consider the audited financial statements and the Reports of the Directors and Auditors for the year ended 31st March, 2007.
2. To declare a final dividend.
3. To re-elect retiring Directors and authorize the Board of Directors to fix their remuneration.
4. To re-appoint Auditors and authorize the Board of Directors to fix their remuneration.

**And as Special Business**, to consider and, if thought fit, pass with or without modification the following resolutions as Ordinary Resolutions:-

#### ORDINARY RESOLUTIONS

5. **“THAT:**

- (a) subject to paragraph (c) below, 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 in the capital of the Company 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;
- (b) the approval in paragraph (a) shall authorize 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 paragraph (a), otherwise than pursuant to (i) a Rights Issue (as hereinafter defined) or (ii) the exercise of subscription rights under any share option scheme of the Company or (iii) an issue of shares as scrip dividends pursuant to the Bye-laws of the Company from time to time, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this Resolution and the said approval shall be limited accordingly; and
- (d) for the purposes of this Resolution and Resolution 6:-

“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 Bye-laws of the Company or any applicable law of Bermuda to be held; and

- (iii) the revocation or variation of this Resolution by an ordinary resolution of the shareholders of the Company in General Meeting.

“Rights Issue” means the allotment, issue or grant of shares pursuant to an offer (open for a period fixed by the Directors of the Company) made to shareholders or any class thereof on the Register of Members of the Company on a fixed record date pro rata to their then holdings of such shares or class thereof (subject to such exclusion or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements of 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 outside Hong Kong).”

6. **“THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period (as defined in Resolution 5(d) above) all powers of the Company to repurchase its shares in the capital of the Company, subject to and in accordance with all applicable laws and requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time, be and is hereby generally and unconditionally approved; and
- (b) the aggregate nominal amount of shares to be purchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company on the date of this Resolution and the authority pursuant to paragraph (a) above shall be limited accordingly.”

7. **“THAT** the general mandate granted to the Directors of the Company to allot, issue and deal with additional shares pursuant to Ordinary Resolution set out in Resolution 5 be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted pursuant to such general mandate the aggregate nominal amount of share in the capital of the Company, repurchased by the Company under the authority granted pursuant to Ordinary Resolution set out in Resolution 6, provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company at the date of this Resolution.”

By Order of the Board  
**KAN Ka Hon**  
*Company Secretary*

Hong Kong, 30th July, 2007

*Principal Place of Business:*  
22nd Floor, Chevalier Commercial Centre  
8 Wang Hoi Road  
Kowloon Bay, Hong Kong

*Registered Office:*  
Canon's Court  
22 Victoria Street  
Hamilton, HM 12  
Bermuda

*Notes:*

- (a) A member entitled to attend and vote at the meeting convened by this notice is entitled to appoint one or more proxies to attend and, in the event of a poll, to vote in his stead. A proxy need not be a member of the Company.
- (b) In order to be valid, a form of proxy, together with the power of attorney or other authority (if any), must be deposited at the Company's Branch Share Registrars in Hong Kong, STANDARD REGISTRARS LIMITED at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjourned meeting.
- (c) An explanatory statement regarding the proposals of re-electing the retiring Directors of the Company, granting general mandates to issue new shares and to repurchase own shares of the Company will be despatched to the members of the Company together with this notice.
- (d) Information on the retiring Directors are set out in pages 2 to 3 to this circular which this notice forms part.