
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Continental Holdings Limited (“Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, a licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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CONTINENTAL
HOLDINGS LIMITED
恒和珠寶集團有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 00513)

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

A notice convening the Annual General Meeting of the Company to be held at Function Room VIII & IX, 1/F, The Mira Hong Kong, 118-130 Nathan Road, Tsim Sha Tsui, Kowloon, Hong Kong on Wednesday, 10 December 2008 at 10:00 a.m. or any adjournments thereof at which the above proposals will be considered, is contained in pages 12 to 14 of this circular. If you are not able to attend the Annual General Meeting, you are requested to complete and return the form of proxy enclosed with this circular, in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time of the Annual General Meeting to the registered office of the Company at Flats M and N, 1/F., Kaiser Estate, Phase III, 11 Hok Yuen Street, Hunghom, Kowloon, Hong Kong. Completion of the form of proxy shall not preclude you from attending and voting at the Annual General Meeting should you so wish.

Hong Kong, 22 October 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 at Function Room VIII & IX, 1/F, The Mira Hong Kong, 118-130 Nathan Road, Tsim Sha Tsui, Kowloon, Hong Kong on Wednesday, 10 December 2008 at 10:00 a.m.
“Articles of Association”	articles of association of the Company
“Board”	board of Directors
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Company”	Continental Holdings Limited, a company incorporated in Hong Kong with limited liability, the securities of which are listed on the Stock Exchange
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Issue Mandate”	the general mandate to the Directors to exercise the powers of the Company to allot, issue and deal with Shares during the relevant period up to a maximum of 20 per cent. of the issued share capital of the Company as at the date of passing of the relevant resolution at the Annual General Meeting
“Latest Practicable Date”	16 October 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
“Member(s)” or “Shareholder(s)”	duly registered holder(s) of the Shares
“PRC”	the People’s Republic of China

DEFINITIONS

“Repurchase Mandate”	the general mandate to the Directors to exercise the powers of the Company to repurchase fully paid Shares during the relevant period up to a maximum of 10 per cent. of the issued share capital of the Company as at the date of passing of the relevant resolution at the Annual General Meeting
“Share(s)”	share(s) in the capital of the Company with a par value of HK\$0.10 each
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

LETTER FROM THE BOARD



CONTINENTAL
HOLDINGS LIMITED
恒和珠寶集團有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 00513)

Executive Directors:

Dr. Chan Sing Chuk, Charles Ph.D, J.P.
Ms. Cheng Siu Yin, Shirley
Ms. Chan Wai Kei, Vicki
Mr. Chan Wai Lap, Victor

Registered Office:

Flats M and N, 1/F
Kaiser Estate, Phase III
11 Hok Yuen Street
Hungghom, Kowloon
Hong Kong

Non-executive Director:

Mr. Chu Wai Kok

Independent non-executive Directors:

Mr. Wong Kai Cheong
Mr. Yu Shiu Tin, Paul B.B.S., MBE, J.P.
Mr. Chan Ping Kuen, Derek
Mr. Sze, Irons

22 October 2008

To the Shareholders

Dear Sir or Madam,

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

INTRODUCTION

The Directors wish to seek the approval of the Shareholders at the Annual General Meeting for the granting of the Issue Mandate and the Repurchase Mandate and the proposed re-election of Directors.

The purpose of this circular is to (a) provide you with details of the Issue Mandate and the Repurchase Mandate; (b) present the proposal for the re-election of Directors; and (c) give you notice of the Annual General Meeting.

LETTER FROM THE BOARD

GRANTING OF THE ISSUE MANDATE AND THE REPURCHASE MANDATE

Three ordinary resolutions numbered (5), (6) and (7) in the notice of the Annual General Meeting will be proposed in relation to the Repurchase Mandate, the Issue Mandate and the extension of the Issue Mandate to issue and allot additional Shares representing the total nominal amount of Shares which may be purchased by the Company under the Repurchase Mandate are as follows:

(a) Repurchase Mandate

Ordinary resolution numbered (5) set out in the notice of Annual General Meeting will be proposed at the Annual General Meeting to give a general and unconditional mandate to the Directors to exercise the powers of the Company to repurchase at any time during the Relevant Period (as defined in ordinary resolution numbered (5) set out in the notice of Annual General Meeting) Shares representing up to a maximum of 10% of the issued share capital of the Company as at the date of passing such resolution.

The Directors will seek the approval of the Shareholders for the grant of the Repurchase Mandate in accordance with the requirements set out in the Listing Rules. The explanatory statement required by the Listing Rules to be sent to the Shareholders in connection with the Repurchase Mandate is set out in the Appendix to this circular.

(b) Issue Mandate

Ordinary resolution numbered (6) set out in the notice of Annual General Meeting will also be proposed that the Directors be given a general and unconditional mandate to issue and allot during the Relevant Period (as defined in ordinary resolution numbered (6) set out in the notice of Annual General Meeting) additional Shares representing up to 20% of the issued share capital of the Company as at the date of passing such resolution. As at the Latest Practicable Date, there were in issue an aggregate of 312,830,334 Shares. Assuming that no Shares are issued or repurchased by the Company prior to the date of the Annual General Meeting, such 20% will represent 62,566,066 Shares.

In addition, an ordinary resolution (ordinary resolution numbered (7) set out in the notice of Annual General Meeting) will be proposed to extend such general mandate to issue Shares by adding to it an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the Repurchase Mandate.

To facilitate future allotment and issue of Shares by the Directors on behalf of the Company, the Directors will seek the approval of the Shareholders for the grant of the Issue Mandate at the Annual General Meeting.

LETTER FROM THE BOARD

RE-ELECTION OF DIRECTORS

According to Article 115(A) of the existing Articles of Association, at each annual general meeting of the Company, one-third of the Directors for the time being, or if their number is not three or a multiple of three, then the number nearest to but not exceeding one-third, shall retire from office by rotation. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree between themselves) be determined by lot. A retiring Director shall be eligible for re-election.

According to Article 115(D) of the existing Articles of Association, every Director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years and the Directors to retire shall be decided by the Board.

In accordance with Articles 115(A) and 115(D) of the existing Articles of Association, Ms. Chan Wai Kei, Vicki and Mr. Yu Shiu Tin, Paul shall retire from office by rotation and both of them are eligible for re-election at the Annual General Meeting.

According to Article 110 of the Articles of Association, any director appointed by the Board either to fill casual vacancy or as an additional Director shall hold office only until the first general meeting of the Company after his/her appointment and shall be eligible for re-election at that meeting.

In accordance with Article 110 of the Articles of Association, Mr. Sze, Irons shall hold office only until the Annual General Meeting and shall be eligible for re-election at that meeting.

Ms. Chan Wai Kei, Vicki, aged 36, joined the Group in 1995. Ms. Chan is an executive Director of the Company and she holds directorship in various subsidiaries of the Company. She is responsible for retail operation and the business administration functions in the Group. Ms. Chan graduated from University of California, Berkeley with a Bachelor of Arts degree in Economics. She is a Graduate Gemologist of the Gemological Institute of America. Ms. Chan has entered into a service contract with Group that does not provide for a fixed period of service but she is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles of Association.

In respect of the terms of the service contract, the total amount of Ms. Chan's basic salary is HK\$435,000 per annum. Ms. Chan is also eligible for consideration of annual discretionary bonus based on her performance. The Company contributes to Ms. Chan's Hong Kong mandatory provident fund in compliance with applicable Hong Kong legal requirements. Ms. Chan's emoluments have been determined by the Company with reference to the level and/or remuneration package normally granted by employers comparable in size and stature to the Company to senior executives of comparable caliber and job responsibilities. Ms. Chan had not been a director in any other listed company in the past three years. Ms. Chan is the daughter of Dr. Chan Sing Chuk, Charles and Ms. Cheng Siu Yin, Shirley, both are executive Directors of the Company. Ms. Chan is the sister of Mr. Chan Wai Lap, Victor who is an executive Director of the Company. As at the Latest Practicable Date, Ms. Chan did not have any interest (within the meaning of Part XV of the

LETTER FROM THE BOARD

Securities and Futures Ordinance) in the Shares of the Company. The Company confirms that it is not aware of any other matters that need to be brought to the attention of the Shareholders and there is no other information which is required to be disclosed pursuant to Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

Mr. Yu Shiu Tin, Paul, aged 58, was appointed as an independent non-executive director on 25 April 2005. Mr. Yu is a businessman who has been actively engaged in the construction business both in the public and private sectors in Hong Kong for the last 30 years. He is a fellow member of the Hong Kong Institute of Construction Managers. Other than his working experience in managing a construction company, he is also actively involved in the community services for the community of Hong Kong and several advisory bodies of Hong Kong Government for over 27 years and subsequently awarded as an unofficial Justice of the Peace by the Hong Kong Government in the year 1989. Mr. Yu has not held any directorship in any public listed companies in the last three years.

No services contract has been entered into between Mr. Yu and the Company. Mr. Yu has no fixed term of service with the Company but he is subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the Articles of Association. Mr. Yu is entitled to a director's fee of HK\$50,000 per annum which is determined by reference to his duties and responsibilities with the Company, the Company's performance and the prevailing market situation. Mr. Yu is the member of the Company's audit committee of the Board. Mr. Yu does not have any relationship with any other Directors or senior management or substantial or controlling shareholders of the Company. Except as disclosed above, Mr. Yu has not previously held any other position with the Company or its subsidiaries. As at the Latest Practicable Date, Mr. Yu did not have any interest (within the meaning of Part XV of the Securities and Futures Ordinance) in the Shares of the Company. The Company confirms that it is not aware of any other matters that need to be brought to the attention of the Shareholders and there is no other information which is required to be disclosed pursuant to Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

Mr. Sze, Irons, aged 46, was appointed as an independent non-executive director of the Company and a member of the audit committee and remuneration committee of the Board on 2 October 2008. Mr. Sze graduated with a Bachelor's degree in Science from University of Wisconsin, United States in 1985. Mr. Sze has extensive experience in investment and corporate management and is currently the chief executive officer and managing director of a private company, Hang Tung Resources Holding Limited, and holds directorship in various private companies. Mr. Sze is an executive member of the Beijing Committee of the Chinese People's Political Consultative Conference. He is also the vice-chairman of Hunan Province Youth Federation and the vice president of the Chinese Manufacturers' Association of Hong Kong. He is also a member of the Council and Court of Lingnan University (2008 to 2011) and elected as a member of Election Committee of the Chief Executive of the Hong Kong Special Administrative Region (2007 to 2012). Mr. Sze has not held any directorship in any public listed companies in the last 3 years.

No services contract has been entered into between Mr. Sze and the Company. Mr. Sze has no fixed term of service with the Company but he is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the

LETTER FROM THE BOARD

Articles of Association. Mr. Sze is entitled to a director's fee of HK\$50,000 per annum which is determined by reference to his duties and responsibilities with the Company, the Company's performance and the prevailing market situation. Mr. Sze does not have any relationship with any other directors or senior management or substantial or controlling shareholders of the Company. Except as disclosed above, Mr. Sze has not previously held any other position with the Company or its subsidiaries. As at the Latest Practicable Date, Mr. Sze did not have any interests (within the meaning of Part XV of the Securities and Futures Ordinance) in the Shares of the Company. The Company confirms that it is not aware of any other matters that need to be brought to the attention of the shareholders and there is no other information which is required to be disclosed pursuant to the Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

ANNUAL GENERAL MEETING

The notice of the Annual General Meeting is set out in this circular. At the Annual General Meeting, ordinary resolutions will be proposed to approve the granting of the Issue Mandate and the Repurchase Mandate and the re-election of Directors.

A form of proxy for use at the Annual General Meeting is enclosed with this circular. If you are not able to attend the Annual General Meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the registered office of the Company at Flats M and N, 1/F., Kaiser Estate, Phase III, 11 Hok Yuen Street, Hunghom, Kowloon, Hong Kong not less than 48 hours before the time appointed for holding the Annual General Meeting. Completion and return of the proxy form will not preclude Shareholders from attending and voting at the Annual General Meeting if they so wish.

RIGHT TO DEMAND POLL

In accordance with the Company's Articles of Association, resolutions proposed at the Annual General Meeting shall be decided on a show of hand unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:

- (a) by the chairman of the Annual General Meeting; or
- (b) by at least 3 members present in person or by proxy for the time being entitled to vote at the Annual General Meeting; or
- (c) by any member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the Annual General Meeting; or
- (d) by a member or members present in person or by proxy and holding shares in the Company conferring a right to vote at the Annual General 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.

LETTER FROM THE BOARD

RECOMMENDATIONS

The Board considers that (a) the granting of and the extension to the Issue Mandate and the Repurchase Mandate and (b) the re-election of the Directors as described in the section headed “Re-election of Directors” above are in the interest of the Company and its Shareholders as a whole and accordingly recommends you to vote in favour of all the relevant resolutions to be proposed at the Annual General Meeting.

RESPONSIBILITY STATEMENT

This circular contains 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.

Yours faithfully,
For and on behalf of the Board
Chan Sing Chuk, Charles
Chairman

The following is the explanatory statement required to be sent to Shareholders under the Listing Rules in connection with the Repurchase Mandate.

SHARE CAPITAL

As at the Latest Practicable Date, the entire issued share capital of the Company comprised 312,830,334 Shares of HK\$0.10 each. On the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, exercise in full of the proposed Repurchase Mandate can accordingly result in up to 31,283,033 fully paid Shares being repurchased by the Company during the course of the period ending on the earliest of the date of the next annual general meeting, the date by which the next annual general meeting of the Company is required to be held by law and the date upon which such authority is revoked or varied.

REASONS FOR REPURCHASES

The Directors believe that it is in the interests of the Company and its Shareholders as a whole to seek a general authority from Shareholders to enable the Directors to repurchase Shares in the market.

Repurchases may, depending on market conditions and funding arrangements at the time, result in an enhancement of the net assets and/or earnings per Share. The Directors are seeking the grant of the Repurchase Mandate to give the Company the flexibility to do so if and when appropriate. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time, having regard to the circumstances then prevailing.

FUNDING OF REPURCHASES

Repurchases of Shares must be funded out of funds legally available for the purpose in accordance with the articles of association of the Company and the Companies Ordinance. Repurchases of Shares pursuant to the Repurchase Mandate would be financed entirely from the Company's available cash flow or working capital facilities. Any repurchases of Shares will be made out of funds of the Company permitted to be utilised in this connection, including profits otherwise available for distribution.

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in its most recent published audited financial statements dated 30 June, 2008) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

SHARE PRICES

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

	Per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2007		
October	1.99	1.68
November	1.93	1.68
December	1.85	1.60
2008		
January	1.78	1.31
February	1.90	1.64
March	1.84	1.50
April	1.78	1.48
May	1.98	1.71
June	1.79	1.54
July	1.65	1.25
August	1.35	1.01
September	1.19	0.80
October (up to the Latest Practicable Date)	1.00	1.00

EFFECT OF THE TAKEOVERS CODE

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase would be treated as an acquisition for the purposes of the Takeover Code. Accordingly, a Shareholder or group of Shareholders acting in concert, depending on the level of increase of the Shareholder's voting right at the time, could obtain or consolidate control of the Company and may become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeover Code.

As at the Latest Practicable Date, Dr. Chan Sing Chuk, Charles, Chairman and executive Director of the Company and his wife, Ms. Cheng Siu Yin, Shirley, executive Director of the Company, were interested in 156,816,303 Shares, representing approximately 50.13% 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, it will increase their existing percentage shareholding of approximately 50.13% in the Company to approximately 55.70%, and such increase will not give rise to an obligation to make a mandatory offer under the Takeovers Code.

The Directors are not aware of any consequences which may arise under the Takeover Code as a result of any repurchases made under the Repurchase Mandate and have no present intention to exercise the power to repurchase Shares pursuant to the Repurchase

Mandate to such an extent as to result in takeover obligations. In the event that the Repurchase Mandate is exercised in full, the number of Shares held by the public would not fall below 25%.

DIRECTORS AND THEIR ASSOCIATES AND CONNECTED PERSONS

None of the Directors nor, to the best of their knowledge and having made all reasonable enquiries, any of their associates (as defined in the Listing Rules), have 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 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 and no such persons have undertaken not to do so, if the Repurchase Mandate is approved by the Shareholders.

UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that they will exercise the Repurchase Mandate in accordance with the Listing Rules, all applicable laws of Hong Kong and the Memorandum and Articles of Associations of the Company.

REPURCHASES MADE BY THE COMPANY

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

MISCELLANEOUS

In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.

NOTICE OF ANNUAL GENERAL MEETING



CONTINENTAL

HOLDINGS LIMITED

恒和珠寶集團有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 00513)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the shareholders of Continental Holdings Limited (“Company”) will be held at Function Room VIII & IX, 1/F, The Mira Hong Kong, 118-130 Nathan Road, Tsim Sha Tsui, Kowloon, Hong Kong on Wednesday, 10 December, 2008 at 10:00 a.m. for the purpose of transacting the following business:

As ordinary business:

- (1) To receive and consider the audited consolidated financial statements and the Reports of the Directors and Auditors of the Group for the year ended 30 June 2008.
- (2) To approve a final dividend for the year ended 30 June 2008.
- (3) To re-elect retiring directors of the Company and to authorise the board of directors to fix the directors’ remuneration.
- (4) To re-appoint auditors of the Company and authorise the Directors of the Company to fix their remuneration.

And as special business, to consider and, if thought fit, to pass with or without modification the following resolutions of which resolutions numbers (5) to (7) will be proposed as ordinary resolutions:

ORDINARY RESOLUTIONS

- (5) **“THAT:**
 - (a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to purchase shares of the Company (“Shares”), subject to and in accordance with the applicable laws, be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the total nominal amount of Shares which may be purchased pursuant to the approval in paragraph (a) above shall not exceed 10% of the total nominal amount of the share capital of the Company in issue on the date of passing of this resolution, and the said approval shall be limited accordingly; and
 - (c) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the revocation or variation of the authority given under this resolution by ordinary resolution of the shareholders of the Company in general meetings; or
 - (iii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held.”
- (6) **“THAT:**
- (a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to issue, allot and deal with additional Shares and to make or grant offers, agreements and options during the Relevant Period which would or might require Shares to be issued, allotted or dealt with during or after the end of the Relevant Period be and is hereby generally and unconditionally approved;
 - (b) the total nominal amount of additional Shares issued, allotted, dealt with or agreed conditionally or unconditionally to be issued, allotted or dealt with, pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below), or (ii) any option scheme or similar arrangement for the time being adopted by the Company for the granting or issuance of Shares or rights to acquire Shares, or (iii) any scrip dividend scheme or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares of the Company in accordance with the articles of association of the Company, shall not exceed 20% of the total nominal amount of the share capital of the Company in issue on the date of passing of this resolution; and
 - (c) for the purposes of this resolution:
 - (i) “Relevant Period” shall have the same meaning as assigned to it under resolution number (5) set out in the notice convening this Meeting;
 - (ii) “Rights Issue” means an offer of Shares open for a period fixed by the Directors of the Company to the holders of Shares on a fixed record date in proportion to their then holdings of Shares (subject to such

NOTICE OF ANNUAL GENERAL MEETING

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 recognized regulatory body or any stock exchange in any territory outside Hong Kong).”

- (7) “**THAT** subject to the passing of the resolutions numbers (5) and (6) above, the general mandate granted to the Directors of the Company to issue, allot and deal with any additional Shares pursuant to resolution number (6) above be and is hereby extended by the addition thereto of the total nominal amount of Shares which may be purchased by the Company under the authority granted pursuant to resolution number (5) above, provided that such amount of Shares so purchased shall not exceed 10% of the total nominal amount of the share capital of the Company in issue on the date of passing this resolution.”

By Order of the Board
Chan Sing Chuk, Charles
Chairman

Hong Kong, 22 October 2008

Registered Office:

Flats M and N, 1st Floor
Kaiser Estate, Phase III
11 Hok Yuen Street
Hung Hom, Kowloon
Hong Kong

Notes:

- (a) Any member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a member of the Company.
- (b) Where there are joint registered holders of any share of the Company, any one of such persons may vote at the Annual General 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 Annual General Meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
- (c) Completion and return of the form of proxy will not preclude a member from attending and voting at the Annual General Meeting or any adjournment thereof if he so wishes. In that event, his form of proxy will be deemed to have been revoked.
- (d) In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof must be delivered to the registered office of the Company at Flats M and N, 1/F, Kaiser Estate, Phase III, 11 Hok Yuen Street, Hung Hom, Kowloon, Hong Kong not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof.