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

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

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

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss however arising from or in reliance upon the whole or any part of the contents of this circular.

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**長江製衣有限公司**  
**YANGTZEKIANG GARMENT LIMITED**

*(Incorporated in Hong Kong with limited liability)*

(Stock Code: 00294)

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

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A notice convening the annual general meeting (the “**AGM**”) of the Company to be held at Yau Yat Chuen Garden City Club, 7 Cassia Road, Yau Yat Chuen, Kowloon, Hong Kong on Wednesday, 10th September, 2008 at 12:00 noon is set out on pages 10 to 12 of this circular.

Whether or not you are able to attend the AGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the registered office of the Company at 22 Tai Yau Street, San Po Kong, Kowloon, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the AGM or any adjourned meeting thereof should you so wish.

31st July, 2008

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## DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at Yau Yat Chuen Garden City Club, 7 Cassia Road, Yau Yat Chuen, Kowloon, Hong Kong on Wednesday, 10th September, 2008 at 12:00 noon or any adjournment thereof;
“Articles of Association”	the articles of association of the Company;
“Board”	the board of Directors;
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong);
“Company”	Yangtzekiang Garment Limited, a company incorporated in Hong Kong with limited liability, and the Shares of which are listed on the Main Board of the Stock Exchange;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Latest Practicable Date”	25th July, 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Memorandum of Association”	the memorandum of association of the Company;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Shares(s)”	ordinary share(s) of HK\$0.50 each in the capital of the Company;
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent.

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LETTER FROM THE BOARD

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長江製衣有限公司  
YANGTZEKIANG GARMENT LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00294)

*Directors:*

Chan Sui Kau (*Chairman*)  
Chan Wing Fui, Peter (*Vice Chairman*)  
Chan Wing Kee (*Managing Director*)  
Chan Wing To (*Deputy Managing Director*)  
Chan Suk Man  
Chan Wing Sun, Samuel  
Chan Suk Ling, Shirley  
So Ying Woon, Alan  
Leung Hok Lim\*\*  
Wong Lam\*\*  
Lin Keping\*\*

*Registered Office:*

22 Tai Yau Street  
San Po Kong  
Kowloon  
Hong Kong

\*\* *Independent Non-executive Directors*

31st July, 2008

*To the Shareholders*

Dear Sir or Madam,

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

**INTRODUCTION**

The purpose of this circular is to give you information on the following matters to be proposed at the AGM: (i) the grant to the Directors of the Issue Mandate and the Repurchase Mandate (such terms as defined hereinafter); and (ii) the re-election of Retiring Directors (as defined hereinafter).

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES**

At the last annual general meeting of the Company held on 18th September, 2007, ordinary resolutions were passed to grant the general mandates to the Directors to issue and repurchase Shares. These general mandates will lapse at the conclusion of the AGM.

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## LETTER FROM THE BOARD

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The Directors believe that renewal of such mandates is in the interest of the Company and Shareholders. Accordingly, ordinary resolutions will be proposed at the AGM to grant to the Directors a general mandate to (i) allot, issue and deal with Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of the relevant resolution; (ii) allot, issue and deal with Shares, including the aggregate nominal amount of Shares repurchased by the Company under the Repurchase Mandate (as defined in (iii)) (the mandates referred to in (i) and (ii) are collectively referred to as the “**Issue Mandate**”); and (iii) repurchase, inter alia, Shares, the aggregate nominal amount of which does not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of the relevant resolution (the “**Repurchase Mandate**”). With reference to these resolutions, the Directors, wish to state that they have no immediate plan to issue any new Shares or to repurchase any Shares pursuant to the Issue Mandate and the Repurchase Mandate, respectively.

As at the Latest Practicable Date, the number of Shares in issue was 210,368,688 Shares. On the basis of such figure (and assuming no further Shares are issued or repurchased after the Latest Practicable Date and up to the date of passing such resolution), the Directors would be authorized to allot, issue and deal with up to a limit of 42,073,737 Shares and to repurchase up to a limit of 21,036,868 Shares.

An explanatory statement containing the particulars required by section 49BA(3)(b) of the Companies Ordinance and the Listing Rules to provide Shareholders with all the information reasonably necessary for them to make an informed decision on whether to vote for or against the ordinary resolution approving the Repurchase Mandate is set out in the Appendix I to this circular.

### RE-ELECTION OF RETIRING DIRECTORS

Pursuant to Article 104 of the Articles of Association, Madam Chan Suk Man, Madam Chan Suk Ling Shirley, Mr. Leung Hok Lim and Mr. Lin Keping (collectively the “**Retiring Directors**”) will retire from the Board by rotation and, being eligible, will offer themselves for re-election at the AGM. The re-election of the Retiring Directors will be individually voted on by the Shareholders.

The biographical details and interests in the Shares of the Retiring Directors, their relationship with other Directors, their positions with the Group, and their other directorships held in listed public companies are set out in Appendix II to this circular. If a valid notice from a Shareholder to propose a person to stand for election as a Director at the AGM is received in accordance with the Articles of Association after the printing of this circular, the Company will issue a supplementary circular to inform Shareholders of the details of such additional candidate proposed.

### AGM

The notice of the AGM is set out on pages 10 to 12 of this circular. Ordinary resolutions in respect of the Issue Mandate and the Repurchase Mandate and the re-election of the Retiring Directors will be proposed at the AGM.

A form of proxy for use at the AGM is enclosed with this circular. Whether or not you are able to attend the AGM, 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 22 Tai Yau Street, San Po Kong, Kowloon, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the AGM or any adjournment thereof. Completion and return of the form of

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## LETTER FROM THE BOARD

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proxy shall not preclude you from attending and voting in person at the AGM or any adjourned meeting thereof should you so wish.

Shareholders are advised to read the notice and to complete and return the accompanying form of proxy for use at the AGM in accordance with the instructions printed thereon.

Pursuant to Article 75 of the Articles of Association, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless 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:

- (i) by the chairman of the meeting; or
- (ii) by at least three members present in person (or, in the case of a member being a corporation, by its duly authorized representative) or by proxy for the time being entitled to vote at the meeting; or
- (iii) by any member or members present in person (or, in the case of a member being a corporation, by its duly authorized representative) or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (iv) by a member or members present in person (or, in the case of a member being a corporation, by its duly authorized representative) or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

### RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. 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 consider that the proposed resolutions for (i) the grant of the Issue Mandate and the Repurchase Mandate; and (ii) the re-election of the Retiring Directors are all in the best interests of the Company and the Shareholders as a whole and, accordingly, recommend all Shareholders to vote in favour of the resolutions to be proposed at the AGM.

### GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this circular. The English text of this circular shall prevail over the Chinese text.

Yours faithfully,  
By order of the Board  
**Chan Sui Kau**  
*Chairman*

The following is the explanatory statement required to be sent to Shareholders of the Company under the Listing Rules in connection with the Repurchase Mandate and also constitutes the memorandum required under section 49BA(3)(b) of the Companies Ordinance:

- (i) It is proposed that up to 10% of the Shares in issue as at the date of the passing of the resolution to approve the Repurchase Mandate may be repurchased. As at the Latest Practicable Date, the number of Shares in issue was 210,368,688 Shares. On the basis of such figure (and assuming no further Shares are issued or repurchased after the Latest Practicable Date and up to the date of passing such resolution), the Directors would be authorized to repurchase up to a limit of 21,036,868 Shares.
- (ii) The Directors believe that it may be to the benefit of the Company and its Shareholders to repurchase the Shares in certain circumstances. For example, depending on market conditions and funding arrangements at the time, such repurchases may enhance the net assets and/or earnings per Share. Therefore, the Directors are seeking the grant of the Repurchase Mandate to give the Company the flexibility to do so if and when appropriate.
- (iii) It is envisaged that the funds required for any repurchase would be derived from the capital paid up on the Shares being repurchased and from the distributable profits of the Company. In any event, the Company may only apply funds legally available for such purpose in accordance with its Memorandum of Association and Articles of Association and the laws of Hong Kong.
- (iv) As compared with the position disclosed in the audited consolidated accounts contained in the annual report for the year ended 31st March, 2008, the Directors consider that the exercise in full of the Repurchase Mandate would not have a material adverse impact on the working capital or gearing position of the Company. However, the Directors do not propose to exercise the power to make purchases pursuant to the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the Company's working capital requirements or gearing levels.
- (v) None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates (as defined in the Listing Rules), have any present intention, in the event that the Repurchase Mandate is approved by Shareholders at the AGM, to sell Shares to the Company under the Repurchase Mandate.
- (vi) The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases pursuant to the Repurchase Mandate in accordance with the Listing Rules, the Memorandum of Association of the Company and the Articles of Association and the laws of Hong Kong so far as the same may be applicable.

- (vii) As at the Latest Practicable Date and according to the records kept by the Company, Messrs. Chan Sui Kau, Chan Wing Fui Peter, Chan Wing Kee, Chan Wing To, Chan Wing Sun Samuel, Madam Chan Suk Man and Madam Chan Suk Ling Shirley and their associates (collectively the “**Chan Family**”) are together interested in approximately 55.19% of the issued Shares. Assuming that the shareholding interests of the Chan Family remain unchanged, upon full exercise of the mandate to repurchase Shares by the Directors, the Chan Family will be interested in approximately 61.32% of the issued Shares. The Directors are not aware of any consequences which would arise under the Hong Kong Code on Takeovers and Mergers as a consequence of any repurchases of Shares by the Company pursuant to the Repurchase Mandate.
- (viii) No purchase has been made by the Company of its Shares in the six months prior to the date of this circular.
- (ix) No connected persons of the Company (as defined in the Listing Rules) have notified it of a present intention to sell Shares to the Company and no such persons have undertaken not to sell any Shares to the Company in the event that the Repurchase Mandate is granted by the Shareholders.
- (x) The highest and lowest prices at which the Shares have traded on the Stock Exchange in each of the previous twelve months prior to the Latest Practicable Date are as follows:

	<b>Highest per share HK\$</b>	<b>Lowest per share HK\$</b>
<b>2007</b>		
July	2.610	1.600
August	2.500	1.990
September	2.370	2.030
October	2.280	2.050
November	2.450	2.250
December	2.520	2.200
<b>2008</b>		
January	2.240	1.620
February	1.930	1.760
March	1.950	1.840
April	2.090	1.880
May	1.990	1.900
June	16.720	1.830
July (up to the Latest Practicable Date)	1.970	1.850



Brief biographical details of the Retiring Directors, their interests in the Shares, their relationship with other Directors, their positions with the Group, their other directorships held in listed public companies and other matters relating to the Retiring Directors that need to be brought to the attention of the Shareholders are as follows:

**Chan Suk Man**

Aged 60. Received Master of Science Degrees from the University of Windsor, Canada in 1973 and Case Western Reserve University USA in 1975. Madam Chan joined the Group in 1976 and was appointed as Director in 1993.

In the last three years, she has held directorships in a number of subsidiaries of the Group. Save as disclosed herein, Madam Chan did not hold any directorship in any other listed public companies in the last three years.

Madam Chan is the niece of Dr. Chan Sui Kau and the sister of Mr. Chan Wing Kee and Mr. Chan Wing To. She is also the cousin of Mr. Chan Wing Fui Peter, Mr. Chan Wing Sun Samuel and Madam Chan Suk Ling Shirley. Save as disclosed herein, Madam Chan is not related to any other Directors, senior management or substantial or controlling shareholders of the Company.

**Chan Suk Ling Shirley**

Madam Chan has been the Managing Director of the YGM Trading Group since 2006. She joined the Group in 1973 and was appointed as Director of the Group in 1983 and Deputy Managing Director of YGM Trading Limited in 1987. She has extensive experience of management in the garment retail and wholesale business. Madam Chan is Member of the Textiles Advisory Board of Hong Kong S.A.R., Member of the Hong Kong-France Business Partnership Committee of the Hong Kong Trade Development Council, Member of the Board of Directors of the Hong Kong Tourism Board, Member of Quality Tourism Services Committee of the Hong Kong Tourism Board, Member of Board of Directors of Ocean Park Corporation, the Vice Chairman of the Hong Kong Retail Management Association, Member of the Executive Committee of the Chinese Manufacturers' Association of Hong Kong, the Chairman of the Hong Kong Brand Development Council, the Director of Hong Kong Design Centre, Member of DesignSmart Initiative Assessment Panel, a Committee Member of the Tianjin Municipal Committee of the Chinese People's Political Consultative Conference and the Vice President of Guangdong Association of Enterprises with Foreign Investment. She received a Bachelor's degree from Trent University, the United Kingdom in 1973.

In the last three years, she was also the Managing Director of YGM Trading Limited which is listed on the Stock Exchange and director of the Company's subsidiary, Yangtzekiang Aluminium Corporation Limited. Save as disclosed herein, Madam Chan did not hold any directorship in any other listed public companies in the last three years.

Madam Chan, aged 57, is the daughter of Dr. Chan Sui Kau and the sister of Mr. Chan Wing Fui Peter and Mr. Chan Wing Sun Samuel. She is also the cousin of Mr. Chan Wing Kee, Mr. Chan Wing To, Madam Chan Suk Man and Mr. Chan Wing Chak David. Save as disclosed herein, Madam Chan is not related to any other Directors, senior management or substantial or controlling shareholders of the Company.

**Leung Hok Lim** *FCPA (Aust.), CPA (Macau), FCPA (Practising)*

Aged 73. Mr. Leung is the founding and senior partner of PKF, Accountants & Business Advisers. He obtained his fellowship with Hong Kong Institute of Certified Public Accountants in 1973. He is a non-executive director of Beijing Hong Kong Exchange of Personnel Centre Limited and a number of listed companies. Mr. Leung has been appointed as an independent non-executive Director since 1993.

In the last three years, he was an independent non-executive director of a number of listed public companies, namely, YGM Trading Limited, S E A Holdings Limited, Bright International Group Limited, Fujian Holdings Limited, High Fashion International Limited, Phoenix Satellite Television Holdings Limited and Theme International Holdings Limited. Save as disclosed herein, Mr. Leung did not hold any directorship in any other listed public companies in the last three years.

Apart from being an independent non-executive Director, Mr. Leung does not hold any position with the Company or any of its subsidiaries. Mr. Leung is not related to any other Directors, senior management or substantial or controlling shareholders of the Company.

**Lin Keping**

Aged 69. Appointed as an independent non-executive Director in 2004. Mr. Lin is an engineer, graduated from Beijing University of Posts and Telecommunications in 1963. He is a member of the Eighth National Committee of the Chinese People's Political Consultation Conference and an executive member of the Eighth All-China Federation of Industry and Commerce. He has served in postal and telecommunication research institutes, the Ministry of Posts and Telecommunications and other organisations for years, and was an executive vice president of China Minsheng Bank Corp. Ltd.

In the last three years, he was an independent non-executive Director of YGM Trading Limited which is listed on the Stock Exchange. Save as disclosed herein, Mr. Lin did not hold any directorship in any other listed public companies in the last three years.

Apart from being an independent non-executive Director, Mr. Lin does not hold any position with the Company or any of its subsidiaries. Mr. Lin is not related to any other Directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, interests in the Shares of the Retiring Directors which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, the Model Code for Securities Transactions by Directors of Listed Issuers and which were entered in the register kept by the Company under section 352 of the SFO are as follows:

Name of Director	Personal interest	Number of Shares			Other interests
		Family interests	Corporate interests		
Chan Suk Man	1,535,442	–	–	(i) & (ii) & (iii) & (iv)	
Chan Suk Ling Shirley	1,728,816	24,000	–	(i) & (ii) & (iii)	
Leung Hok Lim	–	–	–	–	
Lin Keping	–	–	–	–	

*Notes:*

- (i) 46,032,240 Shares were held by Chan Family Investment Corporation Ltd. (which is owned by Messrs Chan Sui Kau, Chan Wing Fui Peter, Chan Wing Kee, Chan Wing To and Chan Wing Sun Samuel, Madam Chan Suk Ling Shirley and Madam Chan Suk Man and other members of the Chan Family) and its subsidiaries.
- (ii) 34,595,908 Shares were held by Joycome Limited, which is indirectly owned by Messrs Chan Wing Fui Peter, Chan Wing Kee, Chan Wing To and Chan Wing Sun Samuel, Madam Chan Suk Ling Shirley and Madam Chan Suk Man and other members of the Chan Family.
- (iii) 1,574,480 Shares were held by Hearty Development Limited which is indirectly owned by Messrs Chan Wing Fui Peter, Chan Wing Kee, Chan Wing To, Chan Wing Sun Samuel, Madam Chan Suk Ling Shirley, Madam Chan Suk Man and other members of the Chan Family.
- (iv) 2,383,500 Shares were held by Super Team International Limited which is indirectly owned by Messrs Chan Wing Kee, Chan Wing To, Madam Chan Suk Man and other members of the Chan Family.

As at the Latest Practicable Date, the Retiring Directors had not entered into any service contract in writing with the Company and are subject to retirement by rotation and re-election in accordance with the Articles of Association. All the Retiring Directors will receive a director's fees to be fixed by the Board as authorized by the Shareholders at the AGM. In addition, the total emoluments for the year ended 31st March, 2008 received by Madam Chan Suk Man, Madam Chan Suk Ling Shirley, Mr. Leung Hok Lim and Mr. Lin Keping were HK\$2,754,000, HK\$30,000, HK\$160,000, and HK\$60,000 respectively (as disclosed in note 7 of the financial statements of the Company for the year ended 31st March, 2008). The emoluments received by the Retiring Directors were determined with reference to the prevailing market conditions and past contributions of the Retiring Directors to the Group.

Save as disclosed above, the Board is not aware of any other matter relating to the re-election of the Retiring Directors that needs to be brought to the attention of the Shareholders, nor is there any information in relation to Rule 13.51(2)(h) to (v) that needs to be brought to the attention of the Shareholders.

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## NOTICE OF ANNUAL GENERAL MEETING

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# 長江製衣有限公司 YANGTZEKIANG GARMENT LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00294)

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of the members of YangtzeKiang Garment Limited (the “**Company**”) will be held at Yau Yat Chuen Garden City Club, 7 Cassia Road, Yau Yat Chuen, Kowloon, Hong Kong, on Wednesday, 10th September, 2008 at 12:00 noon for the following purposes:

1. To receive and consider the audited consolidated financial statements, the report of the directors and the independent auditor’s report for the year ended 31st March, 2008;
2. To approve and declare a final dividend for the year ended 31st March, 2008;
3. To re-elect the retiring directors named below and to authorize the board of directors (the “**Directors**”) to fix the directors’ remuneration:
  - Madam Chan Suk Man;
  - Madam Chan Suk Ling Shirley;
  - Mr. Leung Hok Lim;
  - Mr. Lin Keping;
4. To re-appoint KPMG as auditors of the Company and to authorize the board of directors to fix their remuneration; and
5. To consider as special business and, if thought fit, pass, with or without amendments, the following resolutions as ordinary resolutions:
  - (A) “**THAT:**
    - (a) subject to paragraph (b), the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to purchase shares in the capital of the Company (the “**Shares**”) be and is hereby generally and unconditionally approved;
    - (b) the aggregate nominal amount of Shares which may be purchased on The Stock Exchange of Hong Kong Limited or any other stock exchange recognised for this purpose by the Securities and Futures Commission of Hong Kong and The Stock Exchange of Hong Kong Limited under the Hong Kong Code on Share Repurchases pursuant to the approval in paragraph (a) above shall not exceed 10% 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
    - (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;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the memorandum and articles of association of the Company to be held; or
- (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders of the Company in general meeting.”

(B) **“THAT:**

- (a) subject to paragraph (c), the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and otherwise deal with additional Shares and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall be in addition to any other authorization given to the Directors and shall authorize the Directors 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 pursuant to the approval in paragraph (a), otherwise than pursuant to (i) a Rights Issue, (ii) the exercise of rights of subscription or conversion under the terms any warrants issued by the Company or any securities which are convertible into Shares, (iii) any option scheme or similar arrangement for the time being adopted for the grant or issue to such eligible participants recognised by the Company of shares or rights to acquire Shares, or (iv) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company, shall not exceed the aggregate of: (aa) 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this Resolution plus (bb) (if the Directors are so authorized by a separate ordinary resolution of the shareholders of the Company) the nominal amount of share capital of the Company repurchased by the Company subsequent to the passing of this Resolution (up to a maximum equivalent to 10% 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
- (d) for the purposes of this Resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the memorandum and articles of association of the Company to be held; or

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## NOTICE OF ANNUAL GENERAL MEETING

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- (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders of the Company in general meeting; and

“**Right Issue**” means the allotment, issue or grant of shares pursuant to an offer of shares open for a period fixed by the Directors to holders of Shares or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusion or other arrangements as the 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 outside Hong Kong).”; and

- (C) “**THAT** conditional upon the passing of resolutions set out in paragraphs (A) and (B) above, the Directors be and they are hereby authorized to exercise the powers of the Company referred to in paragraph (a) of the resolution set out in paragraph (B) above in the notice of this meeting in respect of the share capital of the Company referred to in sub-paragraph (bb) of paragraph 5(B)(c) of such resolution.”

By Order of the Board  
**Hui Sau Ling**  
*Secretary*

Hong Kong, 31st July, 2008

*Notes:*

- (a) The Transfer Books and Register of Members of the Company will be closed from 2nd September, 2008 to 10th September, 2008, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the final dividend payable on or around 11th September, 2008 to be approved at the meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company’s share registrars, Computershare Hong Kong Investor Services Limited, Shops 1712 – 1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on 1st September, 2008.
- (b) A member entitled to attend and vote at the above meeting may appoint one or more than one proxies to attend and to vote in his stead. A proxy need not be a member of the Company.
- (c) In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof must be deposited at the Company’s registered office at 22 Tai Yau Street, San Po Kong, Kowloon, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
- (d) With regard to paragraph 5 of the above notice, attention is drawn to the circular regarding the general mandate to issue shares and to repurchase shares which will be sent to shareholders in due course.

*As at the date of this notice, the directors of the Company are Chan Sui Kau, Chan Wing Fui Peter, Chan Wing Kee, Chan Wing To, Chan Suk Man, Chan Wing Sun Samuel, Chan Suk Ling Shirley, So Ying Woon Alan, Leung Hok Lim\*\*, Wong Lam\*\* and Lin Keping\*\*.*

\*\* *Independent Non-executive Director*