
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 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 Dawnrays Pharmaceutical (Holdings) Limited, you should at once hand this circular to the purchaser or other 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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**DAWNRAYS PHARMACEUTICAL (HOLDINGS) LIMITED****東瑞製藥（控股）有限公司***(Incorporated in the Cayman Islands with limited liability)***(Stock Code: 2348)****GENERAL MANDATES TO ISSUE
AND REPURCHASE SHARES
AND
RE-ELECTION OF DIRECTORS**

The notice convening the annual general meeting of Dawnrays Pharmaceutical (Holdings) Limited to be held at Plaza I-III, Novotel Century Hong Kong Hotel, 238 Jaffe Road, Wanchai, Hong Kong on 9 May 2008 at 10:00 a.m. is set out on pages 14 to 17 of this circular.

A form of proxy for use in connection with the annual general meeting is enclosed herewith. Whether or not you are able to attend the AGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the principal place of business of the Company at Suites 3212-13, Shell Tower, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

3 April 2008

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DEFINITIONS

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 Plaza I-III, Novotel Century Hong Kong Hotel, 238 Jaffe Road, Wanchai, Hong Kong on 9 May 2008 at 10:00 a.m., notice of which is set out on pages 14 to 17 of this circular or any adjournment thereof;
“2007 Annual Report”	the annual report of the Company for the year ended 31 December 2007, sent together with this circular;
“Articles”	the existing articles of association of the Company;
“Board”	the board of Directors;
“Companies Law”	the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands;
“Company”	Dawnrays Pharmaceutical (Holdings) Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Stock Exchange;
“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Latest Practicable Date”	27 March 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Shareholder(s)” or “Member(s)”	holder(s) of Shares;
“Share(s)”	share(s) of HK\$0.10 each in the issued share capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

DEFINITIONS

“Takeover Code” the Hong Kong Code on Takeovers and Mergers, as amended from time to time; and

“%” per cent.

LETTER FROM THE BOARD



DAWNRAYS PHARMACEUTICAL (HOLDINGS) LIMITED

東瑞製葯（控股）有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2348)

Executive Directors:

Ms. LI Kei Ling (*Chairman*)
Mr. HUNG Yung Lai
Mr. LI Tung Ming
Mr. GAO Yi

Non Executive Director:

Mr. LEUNG Hong Man

Independent Non-executive Directors:

Mr. PAN Xue Tian
Mr. CHOI Tat Ying Jacky
Mr. SIK Siu Kwan

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Head office and principal
place of business in Hong Kong:*

Suites 3212-13
Shell Tower
Times Square
1 Matheson Street
Causeway Bay
Hong Kong

3 April 2008

To the Shareholders

Dear Sir or Madam,

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

I. INTRODUCTION

The purpose of this circular is to provide you information regarding the proposals for the granting of the general mandates to issue and repurchase Shares and re-election of directors to enable you to make a decision on whether to vote for or against the resolutions in connection with such matters to be proposed at the AGM.

LETTER FROM THE BOARD

II. GENERAL MANDATE TO REPURCHASE SHARES

An ordinary resolution (“Repurchase Resolution”) will be proposed at the AGM to grant a general mandate to the Directors to exercise the powers of the Company to repurchase, at any time until the next annual general meeting of the Company following the passing of the Repurchase Resolution or such earlier date as stated therein, Shares up to a maximum of 10% of the issued share capital of the Company at the date of passing of the Repurchase Resolution (“Repurchase Mandate”).

An explanatory statement, as required under the Listing Rules to provide the requisite information in connection with the Repurchase Mandate, is set out in Appendix II to this circular.

III. GENERAL MANDATE TO ISSUE SHARES

An ordinary resolution will be proposed at the AGM to grant a general mandate to the Directors to allot, issue and deal with Shares not exceeding 20% of the issued share capital of the Company at the date of passing such resolution (“Issue Mandate”). At the Latest Practicable Date, the total issued share capital of the Company was 793,716,000 Shares. Subject to the passing of the resolution granting the Issue Mandate and on the basis that no further Shares are issued or repurchased before the AGM, the Company will be allowed to issue a maximum of 158,743,200 Shares.

In addition, if the Repurchase Mandate and Issue Mandate are granted, an ordinary resolution will also be proposed at the AGM to extend the Issue Mandate by adding to it the number of Shares repurchased by the Company under the Repurchase Mandate.

The Repurchase Mandate and the Issue Mandate would continue in force until (a) the conclusion of the next annual general meeting of the Company; (b) 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; (c) the Repurchase Mandate and/or the Issue Mandate is/are revoked or varied by an ordinary resolution of the Company in general meeting, whichever is the earliest.

IV. RE-ELECTION OF DIRECTORS

In accordance with article 87 of the Company’s articles of association, Ms. Li Kei Ling, Mr. Hung Yung Lai and Mr. Leung Hong Man will retire by rotation and being eligible, offer themselves for re-election by the Shareholders.

Particulars required to be disclosed under the Listing Rules of the retiring directors who will offer themselves for re-election at the AGM are set out in the Appendix I of this circular.

LETTER FROM THE BOARD

V. ANNUAL GENERAL MEETING

The Notice of AGM is set out on pages 14 to 17 of this circular. A form of proxy for use at the AGM is enclosed herewith. 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 the same to the principal place of business of the Company in Hong Kong at Suites 3212-13, Shell Tower, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the AGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM should you so wish.

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

- (a) by the chairman of such meeting; or
- (b) by at least three Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
- (c) by a Member or Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all Members having the right to vote at the meeting; or
- (d) by a Member or Members present in person or in the case of a Member being a corporation by its duly authorised 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 shares conferring that right; or
- (e) by a person who is required under the rules of the Designated Stock Exchange to demand a poll.

Pursuant to Rules 13.39(3) of the Listing Rules, the Chairman of the meeting and/or the Directors individually or collectively, hold proxies in respect of shares representing five per cent (5%) or more of the total voting rights at such meeting shall demand a poll if on a show of hands a meeting votes in the opposite manner to that instructed in those proxies.

LETTER FROM THE BOARD

VI. RECOMMENDATION

The Directors consider that the granting of the Repurchase Mandate, Issue Mandate, the extension of the Issue Mandate and the proposals for the re-election of Directors are in the best interests to the Company and the Shareholders as a whole. Accordingly, the Directors recommend you to vote in favour of all the relevant resolutions to be proposed at the AGM.

By Order of the Board
LI Kei Ling
Chairman

Ms. LI, Kei Ling (李其玲女士), aged 59, is an Executive Director and the Chairman of the Company, and one of the founders of the Group. Ms. Li has over twenty years of experience in corporate management, strategic planning, business operations and finance, in particular for pharmaceutical enterprises in the PRC. She is responsible for supervising the strategic management decisions to ensure good corporate governance practices and business policies are established, and executing the overall developmental strategies of the Group. Ms. Li founded the Group in December 1995 and was appointed to the Board in October 2002. Ms. Li is also the Chairman of Dawnrays International Co., Ltd., Dawnrays International Co., Ltd. (東瑞國際股份有限公司), Suzhou Dawnrays Pharmaceutical Co., Ltd., Shanghai Dawnrays Chemical Co., Ltd., Suzhou Dawnrays Chemical Co., Ltd., Dawnrays (Nantong) Pharmaceutical Science and Technology Co., Ltd. and Dawnrays Pharma (Hong Kong) Ltd., which are all subsidiaries of the Company. She is the Chairman of the Remuneration Committee and Nomination Committee. Save as disclosed above, Ms. Li did not hold any directorship in any other listed companies in the last three years..

Li Kei Ling and Mr. Hung Yung Lai are both directors and ultimate shareholders of Goldcorp Industrial Ltd, a substantial shareholder of a company listed on the Growth Enterprise Market (the “GEM”) of the Stock Exchange, Sing Lee Software (Group) Limited. Ms. Li and Mr. Hung Yung Lai are both shareholders and directors of three private companies incorporated in Hong Kong and British Virgin Islands. In addition, both Ms. Li and Mr. Hung are directors of a private company registered in the PRC. All these companies are involved in investment holding and other businesses including but not limited to trade and manufacture of fertilizers.

Pursuant to Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as at the Latest Practicable Date, Ms. Li is interested in the 342,072,000 shares of the Company held by Fortune United Group Limited. The issued capital of Fortune United Group Limited is equally beneficially owned by Keysmart Enterprises Limited and Hunwick International Limited, which are in turn, wholly owned by Ms. Li Kei Ling and Mr. Hung Yung Lai respectively, both executive directors of the Company.

Save as disclosed above, Ms. Li does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company.

Ms. Li Kei Ling entered into a service contract with the Company for a term of two years which commenced on 1 July 2003. Ms. Li’s service contract was revised to a term of three years which commenced on 1 July 2005 and is subject to termination by the Company giving not less than one month’s written notice. The current annual remuneration including director’s fee, other emoluments and pension scheme contribution, of Ms. Li Kei Ling is HK\$516,000. Ms. Li’s remuneration is determined by the Board with reference to the prevailing market practice, the Company’s remuneration policy, her duties, responsibilities, contribution and her personal interest in the Company’s shareholding.

Save as disclosed above, there is no other information to be disclosed pursuant to the requirements of Rule 13.51(2) (h) to (v) contained in the Listing Rules.

There are no other matters that need to be brought to the attention of holders of securities of the Company in connection with Ms. Li's appointment.

Mr. HUNG, Yung Lai (熊融禮先生), aged 63, is an Executive Director of the Company and one of the founders of the Group. Mr. Hung holds a degree from 上海音樂學院 (Shanghai Conservatory of Music). He has over twenty years of experience in corporate management and corporate development, and has participated in founding and managing of pharmaceutical and high-tech enterprises. Mr. Hung founded the Group in December 1995 and was appointed to the Board in October 2002. Mr. Hung also holds directorship in Dawnrays International Co., Ltd., Dawnrays International Co., Ltd. (東瑞國際股份有限公司), Suzhou Dawnrays Pharmaceutical Co., Ltd., Shanghai Dawnrays Chemical Co., Ltd., Suzhou Dawnrays Chemical Co., Ltd., Dawnrays (Nantong) Pharmaceutical Science and Technology Co., Ltd. and Dawnrays Pharma (Hong Kong) Ltd., which are all subsidiaries of the Company.

Mr. Hung is an executive director and the chairman of Sing Lee Software (Group) Ltd., a company listed on the GEM of the Stock Exchange since 23 November 2000.

Save as disclosed above, Mr. Hung did not hold any directorship in any other listed companies in the last three years.

Mr. Hung Yung Lai and Ms. Li Kei Ling are both directors and ultimate shareholders of Goldcorp Industrial Ltd, a substantial shareholder of Sing Lee Software (Group) Limited. Mr. Hung and Ms. Li Kei Ling are both shareholders and directors of three private companies incorporated in Hong Kong and British Virgin Islands. In addition, both Ms. Li and Mr. Hung are directors of a private company registered in the PRC. All these companies are involved in investment holding and other businesses including but not limited to trade and manufacture of fertilizers.

Pursuant to Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as at the Latest Practicable Date, Mr. Hung is interested in the 342,072,000 shares of the Company held by Fortune United Group Limited. The issued capital of Fortune United Group Limited is equally beneficially owned by Keysmart Enterprises Limited and Hunwick International Limited, which are in turn, wholly owned by Ms. Li Kei Ling and Mr. Hung Yung Lai respectively, both executive directors of the Company.

Save as disclosed above, Mr. Hung does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company.

Mr. Hung Yung Lai entered into a service contract with the Company for a term of two years which commenced on 1 July 2003. Mr. Hung's service contract was revised to a term of three years which commenced on 1 July 2005 and is subject to termination by the Company giving not less than one month's written notice. The current annual remuneration including director's fee, other emoluments and pension scheme contribution, of Mr. Hung Yung Lai is HK\$516,000. Mr. Hung's remuneration is determined by the Board with reference to the prevailing market practice, the Company's remuneration policy, his duties, responsibilities, contribution and his personal interest in the Company's shareholding.

Save as disclosed above, there is no other information to be disclosed pursuant to the requirements of Rule 13.51(2) (h) to (v) contained in the Listing Rules.

There are no other matters that need to be brought to the attention of holders of securities of the Company in connection with Mr. Hung's appointment.

Mr. LEUNG, Hong Man (梁康民先生), aged 33, is a Non-executive Director of the Company. He joined the Group in November 2005. Mr. Leung is the shareholder and director of Toyo International Investment Ltd., which has been one of the Company's substantial shareholders (as required to be disclosed under Part XV of the Securities and Future Ordinance) since September 2005. Mr. Leung has started his business career in knitting machinery since 1993. He has over 10 years' experience in sales and management positions and over 6 years' experience in investment management. Save as disclosed above, Mr. Leung did not hold any directorship in other listed public companies in the last three years.

Pursuant to Part XV of the Securities and Futures Ordinance, as at the Latest Practicable Date, Mr. Leung is interested in the 56,000,000 shares of the Company held by Toyo International Investment Ltd. The issued capital of Toyo International Investment Ltd. is equally beneficially owned by Mr. Leung and his father, Mr. Leung Yiu Sing.

Save as disclosed above, Mr. Leung does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company.

Mr. Leung's appointment commenced on 1 November 2005. The appointment was renewed for a term of two years which commenced on 1 November 2007 and is subject to termination by either party giving not less than one month's written notice, pursuant to an agreement entered into between Mr. Leung and the Company in the form of an appointment letter. Under the terms of the appointment letter, Mr. Leung is currently entitled to an annual remuneration of HK\$96,000 or such other sum as the Company may from time to time decide and this was determined based on prevailing market practice, his duties and responsibilities with the Company.

Save as disclosed above, there is no other information to be disclosed pursuant to the requirements of Rule 13.51(2) (h) to (v) contained in the Listing Rules.

There are no other matters that need to be brought to the attention of holders of securities of the Company in connection with Mr. Leung's appointment.

This Appendix serves as an explanatory statement, as required by Rule 10.06 (1)(b) of the Listing Rules, to provide the requisite information to you to enable you to make an informed decision as to whether to vote for or against the Repurchase Resolution.

SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 793,716,000 Shares. Subject to the passing of the Repurchase Resolution at the AGM and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 79,371,600 Shares during the period which the Repurchase Mandate remains in force.

REASONS FOR REPURCHASE

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders. Whilst it is not possible to anticipate in advance any specific circumstance in which the Directors might think it appropriate to repurchase Shares, they believe that an ability to do so would give the Company additional flexibility that would be beneficial to the Company and the Shareholders as such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per Share.

FUNDING OF REPURCHASE

In repurchasing securities, the Company may only apply funds legally available for such purpose in accordance with its memorandum and articles of association, the Listing Rules and the applicable laws of the Cayman Islands. Purchases and redemptions may only be effected out of the profits of the Company or out of the proceeds of a fresh issue of shares made for the purpose, or, if so authorised by its articles of association and subject to the provisions of the Companies Law, out of capital. Any premium payable on a redemption or purchase over the par value of the shares to be purchased must be provided for out of profits of the Company or out of the Company's share premium account, or, if so authorised by its articles of association and subject to the provisions of the Companies Law, out of capital.

There may be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts for the year ended 31 December 2007 contained in the 2007 Annual Report) in the event that repurchases of Shares under the Repurchase Mandate were to be carried out in full during the period which the Repurchase Mandate remains in force.

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 or the gearing levels of the Company, 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 have been traded on the Stock Exchange during each of the previous 12 months preceding the Latest Practicable Date were as follows:

Month	Price	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
March 2007	0.86	0.68
April 2007	0.77	0.68
May 2007	0.77	0.69
June 2007	0.99	0.74
July 2007	0.87	0.76
August 2007	0.88	0.71
September 2007	0.90	0.79
October 2007	0.81	0.73
November 2007	0.79	0.69
December 2007	0.80	0.70
January 2008	0.79	0.71
February 2008	0.82	0.72
March 2008 (up to the Latest Practicable Date)	0.86	0.75

DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

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

No connected persons (as defined in the Listing Rules) of the Company have notified the Company that they have any present intention to sell Shares to the Company, or have undertaken not to do so, in the event that the Company is authorised to make repurchase of its own Shares.

UNDERTAKING OF THE DIRECTORS

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

TAKEOVER CODE

If as a result of repurchase(s) of Shares by the Company, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeover Code. As a result, a Shareholder or a group of Shareholders acting in concert could, depending on the level of increase of his or their interest, obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeover Code.

As at the Latest Practicable Date, Fortune United Group Limited held 342,072,000 Shares, representing approximately 43.10% of the total issued share capital of the Company. On the assumption that the issued share capital of Company remains at 793,716,000 Shares and based on the shareholding of Fortune United Group Limited above, in the event that the Directors exercise the power to repurchase Shares in full pursuant to the Repurchase Mandate, the shareholding of Fortune United Group Limited in the Company will increase to approximately 47.89% of the issued share capital of the Company. As a result, Fortune United Group Limited (and persons acting in concert with it) may be required to make a mandatory offer under Rule 26 of the Takeover Code. The directors have no present intention to exercise the Repurchase Mandate to an extent such that an obligation to make a general offer under the Takeover Code will be triggered.

SHARE REPURCHASE BY THE COMPANY

In the six months immediately preceding the Latest Practicable Date, the Company repurchased Shares on the Stock Exchanges as follows:

Date of Repurchased	Number of Shares Repurchased	Price per Share	
		Highest (HK\$)	Lowest (HK\$)
23 October 2007	932,000	0.77	0.75
24 October 2007	200,000	0.77	0.77
25 October 2007	288,000	0.78	0.76
26 October 2007	340,000	0.80	0.77
29 October 2007	100,000	0.78	0.78
30 October 2007	200,000	0.78	0.78
31 October 2007	400,000	0.78	0.77
1 November 2007	484,000	0.79	0.77
2 November 2007	100,000	0.77	0.77
12 November 2007	600,000	0.75	0.75
13 November 2007	832,000	0.76	0.74
20 November 2007	64,000	0.73	0.73
23 November 2007	460,000	0.75	0.74
27 November 2007	600,000	0.74	0.70
3 December 2007	316,000	0.74	0.73
4 December 2007	76,000	0.74	0.73
6 December 2007	416,000	0.74	0.73
7 December 2007	976,000	0.74	0.73
11 December 2007	248,000	0.74	0.73
12 December 2007	200,000	0.73	0.73
14 December 2007	480,000	0.73	0.72
17 December 2007	1,108,000	0.72	0.71
18 December 2007	1,464,000	0.72	0.70
19 December 2007	200,000	0.73	0.73
16 January 2008	416,000	0.76	0.74

Save as disclosed above, the Company had not purchased any of its Shares in the six months preceding the Latest Practicable Date.

NOTICE OF ANNUAL GENERAL MEETING



DAWNRAYS PHARMACEUTICAL (HOLDINGS) LIMITED

東瑞製藥（控股）有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2348)

NOTICE IS HEREBY GIVEN that an Annual General Meeting of Dawnrays Pharmaceutical (Holdings) Limited (“the Company”) will be held at Plaza I-III, Novotel Century Hong Kong Hotel, 238 Jaffe Road, Wanchai, Hong Kong on Friday, 9 May 2008 at 10:00 a.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements and the reports of the directors and the auditors for the financial year ended 31 December 2007.
2. To declare a final dividend.
3. To re-elect the retiring directors and authorise the board of directors of the Company (the “Board”) to fix the remuneration of the directors.
4. To re-appoint auditors and to authorise the Board to fix their remuneration.

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

5. **“THAT**

- (i) subject to paragraph (iii) of this resolution, the exercise by the directors of the Company during the Relevant Period 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, options (including bonds, warrants and debentures convertible into shares of the Company) and rights of exchange or conversion which might require the exercise of such powers, 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;
- (ii) the approval in paragraph (i) of this resolution above shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements, options (including bonds, warrants and debentures convertible into shares of the Company) and rights of exchange or conversion which would or might require the exercise of such powers or shares to be allotted, issued or dealt with either during or after the end of the Relevant Period;

NOTICE OF ANNUAL GENERAL MEETING

(iii) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted, issued or dealt with (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval granted in paragraph (i) and (ii) of this resolution above, otherwise than pursuant to (a) a Rights Issue, or (b) the exercise of options under any share option scheme or similar arrangement adopted by the Company, or (c) an issue of shares of the Company as scrip dividend or similar arrangement in accordance with the articles of association of the Company, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and

(iv) for the purpose of this resolution:

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

- (a) the conclusion of the next annual general meeting of the Company;
- (b) 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; and
- (c) the date on which the authority sets out in this resolution is revoked or varied by an ordinary resolution of the Company in general meeting.

“Rights Issue” means an offer of shares of the Company open for a period fixed by the directors of the Company to holders of shares on the register of Members of the Company on a fixed record date in proportion to their holdings of such shares (subject to such exclusion or other arrangements as the directors of the Company 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).”

6. “THAT

- (i) subject to paragraph (iii) of this resolution below, the exercise by the directors of the Company during the Relevant Period of all powers of the Company to purchase or otherwise acquire shares in the capital of the Company on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose and that the exercise by the directors of the Company (the “Directors”) of all powers of the Company to purchase such securities shall be subject to and in accordance with all applicable laws and the requirements of the Rules Governing the

NOTICE OF ANNUAL GENERAL MEETING

Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time be is hereby generally and unconditionally approved;

- (ii) the approval in sub-paragraph (i) shall be in addition to any other authorisation given to the directors of the Company and shall authorise the directors of the Company on behalf of the Company during the Relevant Period to procure the Company to purchase its shares at a price determined by the directors of the Company;
- (iii) the aggregate nominal amount of shares of the Company which are authorised to be purchased or agreed conditionally or unconditionally to be purchased pursuant to the approval in paragraph (i) of this resolution above shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and
- (iv) for the purpose of this resolution:

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

- (a) the conclusion of the next annual general meeting of the Company;
- (b) 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; and
- (c) the date on which the authority sets out for this resolution is revoked or varied by an ordinary resolution of the Company in general meeting.”

7. **“THAT**

conditional upon the passing of the resolutions set out in paragraphs 5 and 6 of the notice convening this meeting, the aggregate nominal amount of shares in the capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted pursuant to the resolution set out in paragraph 5 of the notice convening this meeting be and is hereby extended by the addition thereto an amount representing the aggregate nominal amount of shares of the Company purchased or otherwise acquired by the Company pursuant to the authority granted to the directors of the Company under the resolution set out in paragraph 6 above of the notice convening this meeting.”

By Order of the Board
Li Kei Ling
Chairman

Hong Kong, 3 April 2008

NOTICE OF ANNUAL GENERAL MEETING

Notes:

- (a) The register of Members of the Company will be closed from Tuesday, 6 May 2008 to Friday, 9 May 2008 (both days inclusive), during which period no transfer of shares of the Company can be registered.
- (b) All transfer documents accompanied by the relevant share certificates must be lodged with the Company's Registrars in Hong Kong, Tricor Abacus Limited at 26/F Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:00 p.m. on Monday, 5 May 2008.
- (c) Any Member entitled to attend and vote at the meeting shall be entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a shareholder of the Company.
- (d) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same. Delivery of an instrument appointing a proxy shall not preclude a Member from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (e) To be valid, the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority, shall be delivered to the Company's principal place of business in Hong Kong at Suites 3212-13, Shell Tower, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjourned meeting at which the person named in the instrument proposes to vote.
- (f) Where there are joint holders of any share, any one of such joint holders may vote, either in person 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 any meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register in respect of the joint holding.
- (g) Further details regarding resolutions set out in paragraphs 3, and 5 to 7 of this notice of the annual general meeting of the Company will be sent to the shareholders of the Company together with this Notice of Annual General Meeting.

As at the date of this notice, the Board comprises eight Directors, of which four are Executive Directors, namely Ms. Li Kei Ling, Mr. Hung Yung Lai, Mr. Li Tung Ming and Mr. Gao Yi; one is Non-executive Director, Mr. Leung Hong Man; three are Independent Non-executive Directors, namely Mr. Pan Xue Tian, Mr. Choi Tat Ying Jacky and Mr. Sik Siu Kwan.