

---

**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 a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Comba Telecom Systems Holdings Limited, you should at once hand this circular to the purchaser or other 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.

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 howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

---

**Comba**  
**COMBA TELECOM SYSTEMS HOLDINGS LIMITED**  
**京信通信系統控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

Stock Code: 2342

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

---

The notice convening the annual general meeting of Comba Telecom Systems Holdings Limited to be held at 611 East Wing, No. 8 Science Park West Avenue, Hong Kong Science Park, Tai Po, Hong Kong on 23 May 2008 at 10 a.m. 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 form of proxy enclosed with the Annual Report 2007 in accordance with the instructions printed thereon and return the same to the Company's principal place of business in Hong Kong at 611 East Wing, No. 8 Science Park West Avenue, Hong Kong Science Park, Tai Po, 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.

---

## CONTENTS

---

	<u>Page</u>
<b>DEFINITIONS</b> .....	1
 <b>LETTER FROM THE BOARD</b>	
Introduction .....	3
General mandate to repurchase shares .....	3
General mandate to issue shares .....	4
Re-election of directors .....	4
Annual general meeting .....	4
Procedure for demanding a poll .....	4
Responsibility statement .....	4
Recommendation .....	5
 <b>APPENDIX I – EXPLANATORY STATEMENT ON REPURCHASE MANDATE</b> .....	
	6
 <b>APPENDIX II – DETAILS OF THE DIRECTORS TO BE RE-ELECTED</b> .....	
	8
 <b>APPENDIX III – NOTICE OF ANNUAL GENERAL MEETING</b> .....	
	10

---

## 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 611 East Wing, No. 8 Science Park West Avenue, Hong Kong Science Park, Tai Po, Hong Kong on 23 May 2008 at 10 a.m. or any adjournment thereof, notice of which is set out on pages 10 to 12 of this circular;
“Annual Report 2007”	the annual report of the Company for the year ended 31 December 2007 despatched together with this circular;
“Articles”	the articles of association of the Company;
“Board”	the board of Directors;
“Company”	Comba Telecom Systems Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Stock Exchange;
“Controlling Shareholder”	any person who has the power, directly or indirectly, to secure:  (i) by means of the holding of shares entitling him to exercise or control the exercise of 30% (or such lower amount as may from time to time be specified in the Takeovers Code (approved by the Securities and Futures Commission as amended from time to time) as being the level for triggering a mandatory general offer) or more of the voting power at general meetings of the Company, or  (ii) by means of controlling the composition of a majority of the Board, or  (iii) by virtue of any powers conferred by the constitutional document of the Company or any other corporation,  that the affairs of the Company are conducted in accordance with the wishes of such person;
“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”	22 April 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)”	holder(s) of Shares;
“Share(s)”	share(s) of HK\$0.10 each in the issued share capital of the Company;

---

## DEFINITIONS

---

“Share Option Scheme”	the share option scheme of the Company approved by written resolutions of all Shareholders of the Company passed on 20 June 2003;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers as amended from time to time; and
“%”	per cent.



COMBA TELECOM SYSTEMS HOLDINGS LIMITED

京信通信系統控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 2342

**Executive Directors:**

Mr. Fok Tung Ling (“**Mr. Fok**”)  
(Chairman and President)  
Mr. Zhang Yue Jun (“**Mr. Zhang**”)  
Mr. Wu Jiang Cheng (“**Mr. Wu**”)  
Mr. Yan Ji Ci (“**Mr. Yan**”)  
Mr. Zheng Guo Bao (“**Mr. Zheng**”)  
Mr. Yeung Pui Sang, Simon (“**Mr. Yeung**”)

**Independent non-executive Directors:**

Mr. Yao Yan (“**Mr. Yao**”)  
Mr. Lau Siu Ki, Kevin (“**Mr. Lau**”)  
Mr. Liu Cai (“**Mr. Liu**”)

**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:**

611 East Wing, No. 8 Science Park West Avenue,  
Hong Kong Science Park,  
Tai Po,  
Hong Kong

28 April 2008

To the Shareholders

Dear Sir or Madam,

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

**INTRODUCTION**

The purpose of this circular is to provide you with information regarding the proposed granting of the general mandates to repurchase Shares and to allot and issue Shares and the Directors proposed to be re-elected 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.

**GENERAL MANDATE TO REPURCHASE SHARES**

Pursuant to the ordinary resolution of the Company passed on 23 May 2007, a general mandate was given to the Directors to exercise powers of the Company to repurchase Shares up to 10% of the issued share capital of the Company as at 23 May 2007. Such mandate will expire at the conclusion of the forthcoming AGM.

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 I to this circular.

---

## LETTER FROM THE BOARD

---

### 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 as at the date of passing of the relevant resolution (“**Issue Mandate**”) and to extend the Issue Mandate by adding to it the number of Shares repurchased by the Company under the Repurchase Mandate. On the basis that no further Shares are issued or repurchased prior to the date of the AGM, the Company would be allowed to issue a maximum of 170,778,300 Shares under the Issue Mandate.

### RE-ELECTION OF DIRECTORS

Pursuant to Article 87(1) of the Articles, one-third of the Directors who have been longest in office, being Mr. Fok, Mr. Wu and Mr. Yeung, shall retire from office by rotation at the AGM and shall be eligible for re-election by the Shareholders at the AGM. Being eligible, each of Mr. Fok, Mr. Wu and Mr. Yeung (together, the “**Retiring Directors**”) will offer himself for re-election by the Shareholders at the AGM. Details of the Retiring Directors are set out in Appendix II to this circular.

### ANNUAL GENERAL MEETING

A notice dated 28 April 2008 convening the AGM to be held at 611 East Wing, No. 8 Science Park West Avenue, Hong Kong Science Park, Tai Po, Hong Kong on 23 May 2008 at 10 a.m. is set out on pages 10 to 12 of this circular, which contains, among others, ordinary resolutions to approve the Repurchase Mandate and Issue Mandate and the re-election of Retiring Directors.

### PROCEDURE FOR DEMANDING A POLL

Pursuant to Article 66 of the Articles, a resolution put to the vote of a general meeting of the Company (including the AGM) shall be decided on a show of hands unless voting by way of a poll is required by the Listing Rules (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 Shareholders present in person or in the case of a Shareholder 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 Shareholder or Shareholders present in person or in the case of a Shareholder 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 Shareholders having the right to vote at the meeting; or
- (d) by a Shareholder or Shareholders present in person or in the case of a Shareholder 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 such right; or
- (e) if required by the Listing Rules, by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five per cent (5%) or more of the total voting rights at such meeting.

### RESPONSIBILITY STATEMENT

This circular includes particular 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.

---

## LETTER FROM THE BOARD

---

### RECOMMENDATION

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

By Order of the Board  
**Fok Tung Ling**  
*Chairman and President*

This Appendix I 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 853,891,500 Shares. Subject to the passing of the Repurchase Resolution and the Issue Resolution at the AGM and on the basis that no further Shares are issued or repurchased prior to the date of the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 85,389,150 Shares.

## REASONS FOR REPURCHASE

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders. The Directors believe that an ability to repurchase subject to the Repurchase Mandate 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

Any repurchase would be made out of funds which are legally available for such purpose in accordance with the Company's memorandum of association and Articles, the Listing Rules and the applicable laws of the Cayman Islands. The Companies Law (2004 Revision) of the Cayman Islands provides that Shares may only be purchased out of the profits of the Company or out of the proceeds of a fresh issue of Shares made for the purpose or in the manner provided for therein out of capital.

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

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 in each of the calendar months since 1 April 2007 were as follows:

Month	Prices	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
April 2007	3.58	2.89
May 2007	4.05	3.25
June 2007	4.00	3.34
July 2007	3.70	3.00
August 2007	3.24	2.29
September 2007	3.25	2.56
October 2007	3.00	2.65
November 2007	3.03	2.08
December 2007	2.66	2.20
January 2008	2.91	2.15
February 2008	2.62	2.14
March 2008	2.12	1.53
April 2008 (up to the Latest Practicable Date)	2.00	1.73



**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.

**TAKEOVERS 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 Takeovers 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 Takeovers Code.

As at the Latest Practicable Date, Mr. Fok (through Prime Choice Investments Limited, Total Master Investments Limited and himself) and Mr. Zhang (through Wise Logic Investments Limited) were interested in a total of 377,102,000 and 98,986,000 Shares, representing approximately 44.16% and 11.59% of the total issued share capital of the Company, respectively. The exercise in full of the Repurchase Mandate by the Company, assuming that the issued share capital of the Company remains 853,891,500 Shares and based on the shareholding of Mr. Fok and Mr. Zhang above, the shareholding of Mr. Fok and Mr. Zhang in the Company will increase to approximately 49.07% and 12.88%, respectively. As a result, Mr. Fok will trigger the mandatory offer obligation under Rule 26 of the Takeovers Code. The Directors do not have present intention to exercise the Repurchase Mandate to such extent as would trigger a mandatory offer to all Shareholders of the Company. Accordingly, the Directors are not aware of any consequence that would arise under the Takeovers Code as a result of a repurchase pursuant to the Repurchase Mandate.

**SHARE REPURCHASE BY THE COMPANY**

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

*The following sets out the details of the Directors who will retire and, being eligible, offer themselves for re-election at the AGM pursuant to the Articles:*

### **BIOGRAPHICAL INFORMATION OF THE RETIRING DIRECTORS**

**Mr. Fok Tung Ling** (霍東齡先生), aged 51, chairman of the Board and president. Mr. Fok is primarily responsible for the Group's overall strategic planning, management and business development. From 1982 to 1987, Mr. Fok worked as a technical engineer in the Microwave Telecommunications Main Station of the Guangdong Bureau of Post and Telecommunications (廣東省郵電局微波通信總站). In 1986, he graduated from the Beijing Institute of Post and Telecommunications (currently known as the Beijing University of Post and Telecommunications) (北京郵電大學), majoring in microwave communications. Prior to 1991, Mr. Fok worked as a marketing executive at the China Electronics Import-Export Corporation, South China Branch (中國電子進出口總公司華南分公司) which was engaged in the import and export of electronic products. From 1991 to 1997, Mr. Fok was engaged in the trading of telecommunications and electronic equipment and components before co-founding the Group in 1997. Mr. Fok has over 20 years of experience in wireless communications. Mr. Fok is the sole director of Prime Choice Investments Limited, which is a substantial shareholder of the Company.

Mr. Fok has no relationship with any other director, senior management, substantial or controlling shareholder of the Company. Mr. Fok does not currently hold any directorship in any other listed public companies nor did he hold any such directorship during the last three years preceding the Latest Practicable Date.

There is no other information which is discloseable nor is/was he involved in any matters required to be disclosed pursuant to the requirements under Rule 13.51(2)(h) to Rule 13.51(2)(w) of the Listing Rules. There is no other matter that need to be brought to the attention of the Shareholders in relation to the re-election of the above retiring Director.

**Mr. Wu Jiang Cheng** (伍江成先生), aged 48, executive director and senior vice president, PRC marketing & sales. He is responsible for the formulation and implementation of the Group's overall sales and marketing strategies in the PRC and is also involved in the supervision of such strategies. He graduated from the Southwest Jiaotong University (西南交通大學) in 1982 and obtained a bachelor's degree in electrical engineering and an EMBA degree from School of Economics and Management of Tsinghua University (清華大學經濟管理學院) in 2006. Mr. Wu has over 10 years of experience as a lecturer in engineering and spent his last two years of teaching at Guangzhou University. Mr. Wu also has over 15 years of experience in communications and marketing and he joined the Group in 1997.

Mr. Wu has no relationship with any other director, senior management, substantial or controlling shareholder of the Company. Mr. Wu does not currently hold any directorship in any other listed public companies nor did he hold any such directorship during the last three years preceding the Latest Practicable Date.

There is no other information which is discloseable nor is/was he involved in any matters required to be disclosed pursuant to the requirements under Rule 13.51(2)(h) to Rule 13.51(2)(w) of the Listing Rules. There is no other matter that need to be brought to the attention of the Shareholders in relation to the re-election of the above retiring Director.

**Mr. Yeung Pui Sang, Simon** (楊沛桑先生), aged 35, executive director and senior vice president, strategy & international operations. Mr. Yeung is also the chief operating & strategy officer of Comba Telecom Systems International Limited, an indirect wholly owned subsidiary of the Company. Prior to joining the Group, Mr. Yeung was the vice president of strategy & business development and a founding employee of LGC Wireless, Inc. ("LGC") based in the Silicon Valley, USA which was successfully acquired by ADC Telecom. Mr. Yeung also held various positions at LGC including the general manager of a business unit, director of technical marketing, general manager of Asia Pacific Region, and principal engineer. Mr. Yeung holds a master of science degree in engineering from University of California at Berkeley and a bachelor of science degree in electrical engineering from Purdue University. Mr. Yeung has over 12 years of experience in the telecom industry. He joined the Group in 2004.

Mr. Yeung has no relationship with any other director, senior management, substantial or controlling shareholder of the Company. Mr. Yeung does not currently hold any directorship in any other listed public companies nor did he hold any such directorship during the last three years preceding the Latest Practicable Date.

There is no other information which is discloseable nor is/was he involved in any matters required to be disclosed pursuant to the requirements under Rule 13.51(2)(h) to Rule 13.51(2)(w) of the Listing Rules. There is no other matters that need to be brought to the attention of the Shareholders in relation to the re-election of the above retiring Director.

### DIRECTORS' SERVICE CONTRACTS

Each of Mr. Fok and Mr. Wu has entered into a service agreement with the Company for an initial term of three years commencing on 1 July 2003 and continuing thereafter by either party giving to the other not less than six months' written notice. Mr. Yeung has entered into a service contract with the Company for an initial term of 18 months which commenced on 7 April 2005 and continuing thereafter by either party giving to the other not less than six's months written notice.

Each of Mr. Fok, Mr. Wu and Mr. Yeung is entitled to a basic salary which will be reviewed by the Remuneration Committee and a discretionary bonus payable at the discretion of the Remuneration Committee in each financial year. For the year ended 31 December 2007, each of Mr. Fok, Mr. Wu and Mr. Yeung was entitled to a remuneration comprising an annual basic salary of approximately HK\$2,097,000, HK\$1,319,000 and HK\$1,621,000 respectively and a discretionary bonus to be determined by the Company with reference to the performance of the Group. For the year ended 31 December 2007, each of Mr. Fok, Mr. Wu and Mr. Yeung was paid a performance-related bonus of HK\$1,031,000, HK\$1,148,000 and HK\$335,000 respectively. All emoluments paid to each of Mr. Fok, Mr. Wu and Mr. Yeung are covered by the service agreement entered into between him and the Company. Save as disclosed in this circular, the Retiring Directors are not entitled to any other emoluments.

In deciding the remuneration of the Directors, consideration has been given by the Remuneration Committee to the level of responsibility, experience and abilities required of the Directors, individual performance, the Company's operating results and the remuneration offered for similar positions in comparable companies.

### INTEREST IN SHARES

As at the Latest Practicable Date, the interests of the Retiring Directors in the Shares (within the meaning of Part XV of the SFO), were as follows:

Name of Directors	Capacity/ Nature of interest	Notes	No. of Shares interested in	Approximate percentage of the Company's issued share capital
Mr. Fok	Interest of controlled corporations	(a)	366,386,000(L)	42.91%
	Beneficial Owner		10,716,000(L)	1.25%
Mr. Wu	Beneficial Owner	(b)	1,800,000(L)	0.21%
Mr. Yeung	Beneficial Owner	(c)	500,000(L)	0.06%

#### Notes:

- (a) 365,588,000 shares and 798,000 shares are beneficially owned by Prime Choice Investments Limited ("Prime Choice") and Total Master Investments Limited ("Total Master"), respectively. By virtue of his 100% shareholding in each of Prime Choice and Total Master, Mr. Fok is deemed or taken to be interested in the total of 366,386,000 shares owned by Prime Choice and Total Master.
- (b) Pursuant to the Share Option Scheme, Mr. Wu has share options in respect of 1,000,000 ordinary shares.
- (c) Pursuant to the Share Option Scheme, Mr. Yeung has share options in respect of 4,000,000 ordinary shares.
- (d) the letter "L" denotes a long position in Shares.

Save as disclosed above, the Board is not aware of any other matters relating to the proposed re-election of the Retiring Directors that need to be brought to the attention of the Shareholders.

# Comba

## COMBA TELECOM SYSTEMS HOLDINGS LIMITED

### 京信通信系統控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*

Stock Code: 2342

#### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an Annual General Meeting of Comba Telecom Systems Holdings Limited (the “**Company**”) will be held at 611 East Wing, No. 8 Science Park West Avenue, Hong Kong Science Park, Tai Po, Hong Kong on 23 May 2008 at 10 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 for the year ended 31 December 2007.
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.
5. To consider and, if thought fit, pass with or without amendments the following resolutions as **Ordinary Resolutions**:

**(A) “THAT**

- (i) subject to paragraph (iii) below, the exercise by the directors of the Company during the Relevant Period (as defined below) 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, subject to and in accordance with all applicable laws and requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time), be and is hereby generally and unconditionally approved;
- (ii) the approval in paragraph (i) 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 might require the exercise of such powers after the end of the Relevant Period;
- (iii) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval granted in paragraph (i) above, otherwise than pursuant to (a) a Rights Issue (as defined below), or (b) the exercise of options under any share option scheme or similar arrangement adopted by the Company for the grant or issue to the employees and directors of the Company and/or any of its subsidiaries and/or other eligible participants specified thereunder of options to subscribe for or rights to acquire shares of the Company, or (c) an issue of shares upon the exercise of the subscription rights attaching to any warrants which may be issued by the Company; or (d) 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 then holdings of such shares (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any legal restrictions under the laws of any relevant jurisdiction, or the requirements of any recognized regulatory body or any stock exchange, in any territory outside Hong Kong).”

**(B) “THAT**

- (i) subject to paragraph (ii) below, the exercise by the directors of the Company during the Relevant Period (as defined below) 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 on any other stock exchange on which the shares of the Company may be listed and recognised by the Stock Exchange and the Securities and Futures Commission for this purpose, subject to and in accordance with all applicable laws and the requirements of the Hong Kong Code on Share Repurchases and the Rules Governing the 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 aggregate nominal amount of shares of the Company which are authorised to be purchased pursuant to the approval in paragraph (i) 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
- (iii) 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.”

**(C) “THAT**

conditional upon the passing of the resolutions set out in paragraphs 5(A) and 5(B) of the notice convening this meeting, the general mandate granted to the directors of the Company to exercise the

powers of the Company to allot, issue and otherwise deal with shares of the Company pursuant to the resolution set out in paragraph 5(A) 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 5(B) above of the notice convening this meeting, provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution.”

By Order of the Board  
**Fok Tung Ling**  
*Chairman and President*

Hong Kong, 28 April 2008

*Notes:*

- (a) The register of members of the Company will be closed from 22 May 2008 to 23 May 2008 (both days inclusive), during which period no transfer of shares in the Company can be registered.
- (b) All transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 21 May 2008.
- (c) Any shareholder of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on his behalf. A proxy need not be a shareholder of the Company.
- (d) To be valid, a form of proxy in the prescribed form together with the power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority, must be deposited at the Company’s principal place of business in Hong Kong at 611 East Wing, No. 8 Science Park West Avenue, Hong Kong Science Park, Tai Po, Hong Kong not less than 48 hours before the time fixed for holding the meeting or any adjourned meeting.
- (e) A circular containing, among other things, the biographical information regarding the directors proposed to be re-elected at the annual general meeting and further details regarding the resolution set out in the paragraph 5 of this notice of the annual general meeting of the Company will be sent to the shareholders of the Company together with the Annual Report 2007 of the Company.