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This circular, for which the directors (“Directors”) of Guangdong Tannery Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this circular is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this circular misleading; and (iii) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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, other licensed corporation, bank manager, solicitor, professional accountant or other professional adviser.

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



粵海制革有限公司

GUANGDONG TANNERY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 1058)

**GENERAL MANDATE FOR THE ISSUE OF SHARES,
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of the Company to be held at The Boardroom, Basement II, The Wharney Guang Dong Hotel Hong Kong, No. 57-73 Lockhart Road, Wanchai, Hong Kong at 10:00 a.m. on Tuesday, 27 May 2008, is set out on pages 10 to 12 of this circular. Whether or not you are able to attend the meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's share registrar and transfer office, Tricor Tengis Limited, at 26th Floor Tesbury Centre, 28 Queen's Road East, 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 will not preclude you from attending and voting in person at the meeting or any adjourned meeting should you so wish.

CONTENTS

	<i>Page</i>
LETTER FROM THE BOARD	
1. Introduction	1
2. Share Issue Mandate	2
3. Directors Proposed to be Re-elected at the AGM	2
4. The AGM	3
5. Recommendations	4
APPENDIX I — DETAILS OF THE DIRECTORS TO BE RE-ELECTED	5
APPENDIX II — NOTICE OF ANNUAL GENERAL MEETING	10



粵海制革有限公司

GUANGDONG TANNERY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 1058)

Board of Directors:

ZHANG Chunting (*Chairman*)

REN Yingguo (*Managing Director*)

ZHANG Yaping[#]

XIONG Guangyang[#]

FUNG Lak*

CHOI Kam Fai, Thomas*

CHAN Cheong Tat*

HO LAM Lai Ping, Theresa[#]

Registered Office:

29th Floor

Guangdong Investment Tower

148 Connaught Road Central

Hong Kong

* *Independent Non-Executive Director*

[#] *Non-Executive Director*

22 April 2008

To the Shareholders

Dear Sir or Madam,

**GENERAL MANDATE FOR THE ISSUE OF SHARES,
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you with information reasonably necessary to enable you to make a decision on whether to vote for or against certain ordinary resolutions (“Ordinary Resolutions”) to be proposed at the annual general meeting of the Company for 2008 (the “AGM”) for the approval of, *inter alia*:

- (a) the grant of the Share Issue Mandate (as defined below) to the directors (“Directors”) of Guangdong Tannery Limited (the “Company”) to issue new ordinary shares (“Shares”) of the Company; and
- (b) the re-election of the retiring Directors.

LETTER FROM THE BOARD

2. SHARE ISSUE MANDATE

At the annual general meeting of the Company held on 18 May 2007, a general mandate was granted to the Directors to exercise the powers of the Company to issue, allot and deal with such number of Shares not exceeding 20 percent of the aggregate nominal amount of the share capital of the Company in issue as at that date. That general mandate will lapse at the conclusion of the AGM.

To provide continued flexibility to the Directors, an Ordinary Resolution will be proposed at the AGM for the granting of the share issue mandate (the “Share Issue Mandate”) to the Directors, on terms as set out in Ordinary Resolution No. 4 in the notice convening the AGM (the “AGM Notice”), allowing them to exercise all the powers of the Company to issue, allot and deal in the Shares. Under the Share Issue Mandate, the number of Shares that the Company is authorised to allot or agree conditionally or unconditionally to allot (whether pursuant to an option or otherwise), subject to the exceptions as set out in paragraph (c) of Ordinary Resolution No. 4, will not exceed 20 percent of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing such Ordinary Resolution.

As of 16 April 2008, being the latest practicable date prior to the printing of this circular (“Latest Practicable Date”), the number of ordinary shares of the Company in issue was 537,504,000. Subject to the passing of the proposed resolution for approving the Share Issue Mandate and on the basis that no further shares are issued by the Company prior to the date of the AGM, the Company would be allowed under the Share Issue Mandate to issue up to a limit of 107,500,800 ordinary shares as at the Latest Practicable Date.

In connection with the Share Issue Mandate, the Company’s authority shall be restricted to the period from the passing of such Ordinary Resolution until the earliest of the date of the Company’s next annual general meeting, the date by which the Company’s next annual general meeting is required by any applicable law or the articles of association of the Company (the “Articles”) to be held and the date upon which such mandate is revoked or varied by an ordinary resolution of the shareholders of the Company (the “Shareholders”) in general meeting.

3. DIRECTORS PROPOSED TO BE RE-ELECTED AT THE AGM

According to Articles 82 to 84 of the Articles, at each annual general meeting of the Company, one-third of the Directors for the time being (or if their number is not a multiple of three, the number nearest to but not exceeding one-third) shall retire from office by rotation. The Directors to retire on each occasion shall be those who have been longest in office since their last election, but as between persons who became or were re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election. Every Director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three calendar years.

LETTER FROM THE BOARD

Mr. Ren Yingguo, who was appointed as a Director of the Company after the annual general meeting of the Company in 2007, shall retire pursuant to Article 77 of the Articles at the AGM. Being eligible, Mr. Ren offers himself for re-election. At the AGM, Mr. Choi Kam Fai, Thomas and Mrs. Ho Lam Lai Ping, Theresa will retire as Directors by rotation in accordance with Articles 82 to 84 of the Articles and, being eligible, offer themselves for re-election as Directors in accordance with the Articles. Particulars of Mr. Ren Yingguo, Mr. Choi Kam Fai, Thomas and Mrs. Ho Lam Lai Ping, Theresa are set out in Appendix I to this circular.

4. THE AGM

The AGM Notice setting out, *inter alia*, the Ordinary Resolution to grant the Share Issue Mandate is enclosed in Appendix II to this circular. Shareholders are advised to read the AGM Notice and to complete and return the form of proxy for use at the AGM (which is enclosed in this circular) in accordance with the instructions printed thereon and deposit the same with the Company's share registrar and transfer office, Tricor Tengis Limited, at 26th Floor Tesbury Centre, 28 Queen's Road East, Hong Kong not less than 48 hours before the time fixed for holding the AGM or any adjourned meeting (as the case may be). The appointment of a proxy will not prevent a Shareholder from subsequently attending and voting in person at the AGM or any adjourned meeting if he so wishes. If a Shareholder who has lodged a form of proxy attends the meeting, his form of proxy will be deemed to have been revoked.

At the AGM or any adjourned meeting, a resolution put to the vote shall be decided on a show of hands unless, 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 duly demanded. A poll may be demanded by:

- (a) the chairman of the AGM or any adjourned meeting; or
- (b) 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 and entitled to vote; or
- (c) any Shareholder(s) present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy and representing in the aggregate not less than one-tenth of the total voting rights of all the Shareholders having the right to attend and vote at the meeting; or
- (d) any Shareholder(s) present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy and holding shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

Unless a poll is so demanded and the demand is not withdrawn, a declaration by the chairman of the AGM that a resolution has, on a show of hands, been carried or carried unanimously or by a particular majority or not carried by a particular majority or lost shall be final and conclusive, and an entry of the declaration in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against such resolution.

LETTER FROM THE BOARD

5. RECOMMENDATIONS

The Directors believe that (i) the granting of the Share Issue Mandate and (ii) the re-election of the Directors are in the best interests of the Company as well as the Shareholders. Accordingly, the Directors recommend that Shareholders vote in favour of the Ordinary Resolutions at the AGM.

Yours faithfully,
For and on behalf of the Board
ZHANG CHUNTING
Chairman

Set out below are the particulars of the Directors who offer themselves to be re-elected at the 2008 annual general meeting of the Company (the “AGM”):

Mr. Ren Yingguo, aged 54, was appointed the Managing Director of the Company in March 2008. He is an economist in the People’s Republic of China (“PRC”). He was graduated from 中國成都電訊工程學院 (Chengdu Telecommunication Engineering College of PRC). Mr. Ren is also appointed certain posts of wholly-owned subsidiaries of the Company (including acting as a director and the general manager of 徐州南海皮廠有限公司 (Xuzhou Nanhai Leather Factory Co., Ltd.), 徐州港威皮革有限公司 (Xuzhou Gangwei Leather Co., Ltd.) and 粵海制革(徐州)有限公司 (Guangdong Tannery (Xu Zhou) Limited); and acting as a deputy project director of 粵海制革(徐州)有限公司 (Guangdong Tannery (Xu Zhou) Limited) and relocation project of 徐州南海皮廠有限公司 (Xuzhou Nanhai Leather Factory Co., Ltd.)). Prior to joining the Company, he was appointed the managing director of 深圳市東深投資控股有限公司 (Shenzhen Dongshen Investment Holding Co. Ltd.) (“Dongshen”) in May 2003. Dongshen is a wholly-owned subsidiary of 廣東粵海控股有限公司 (Guangdong Holdings Limited) (formerly known as 廣東粵港投資控股有限公司 (Guangdong Yue Gang Investment Holdings Company Limited), the ultimate controlling shareholder of the Company. Mr. Ren has engaged in corporate management since 1982. He has nearly 30 years’ experience in corporate works.

Other than as stated above, Mr. Ren is not related to any Director, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Ren was not interested or deemed to be interested in any shares or underlying shares of the Company or its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”).

There is no service contract between the Company and Mr. Ren. He will hold office until the conclusion of the AGM and will be eligible for re-election in accordance with the articles of association of the Company (the “Articles”). His current remuneration package entails total fixed annual remuneration of HK\$330,330, discretionary bonuses pegged to performance and a total annual payment of HK\$182,520 for his accommodation. Such emoluments are determined by reference to job responsibilities, prevailing market conditions and the Company’s operating performance and profitability.

Save as described below, there is no enterprise, company or unincorporated enterprise that has been dissolved or put into liquidation (otherwise than by a member’s voluntary winding up when the company was solvent) or bankruptcy or been the object of an analogous proceeding, or entered into any form of arrangement or composition with creditors, or had a receiver, trustee or similar officer appointed over it during the time when Mr. Ren was one of its directors or within 12 months after his ceasing to act as one of its directors.

- (1) Mr. Ren was appointed as a director of Guangdong (H.K.) Tours Company Limited (“GD Tours”) during the period from 25 March 2003 to 17 February 2004.

GD Tours was incorporated in Hong Kong on 24 April 1981. The principal businesses of GD Tours were tourism, traveling and related services. GD Tours was a wholly-owned subsidiary of Guangdong Investment Limited (“GDI”) during the period from 6 January 1992 to 30 March 2003. GDI, which is a subsidiary of GDH Limited (“GDH”), is listed on The Stock Exchange of Hong Kong Limited. GDH is the immediate controlling shareholder of the Company. GD Tours has become a wholly-owned subsidiary of GDH since 31 March 2003.

On 12 June 2003 a petition for the winding up of GD Tours was presented to the High Court of Hong Kong (the “Court”) by two creditors of GD Tours for a total indebtedness of HK\$222,385,095.35 together with interest accrued thereon.

The petition was heard on 6 August 2003 whereupon the winding up order was granted by the Court. On 8 December 2003, liquidators of GD Tours were appointed. An order by the Court was made on 16 January 2004 for the winding up of GD Tours to be conducted as if it were a creditors’ voluntary winding up. Total claims received by the liquidators are in the amount of approximately HK\$316,000,000. The winding up of GD Tours is currently still in progress.

- (2) Mr. Ren was appointed as a director of Guangdong Tours Transportation Limited (“GTT”) during the period from 25 March 2003 to 24 February 2004.

GTT was incorporated in Hong Kong on 5 May 1987. The principal business of GTT was provision of passenger transportation services. GTT is a wholly-owned subsidiary of GD Tours.

GTT was placed into voluntary liquidation under Section 228(1)(c) of the Companies Ordinance on 7 July 2003. Total claims received by the liquidators are in the amount of approximately HK\$17,300,000. The winding up of GTT is currently still in progress.

- (3) Mr. Ren was appointed as a director of Hong Kong Bus Company Limited (“HK Bus”) during the period from 25 March 2003 to 17 December 2004.

HK Bus was incorporated in Hong Kong on 2 June 1992. HK Bus was dormant before its commencement of liquidation. HK Bus is a wholly-owned subsidiary of GD Tours.

HK Bus was placed into voluntary liquidation under Section 228(1)(c) of the Companies Ordinance on 17 December 2004. Total claims received by the liquidators are in the amount of approximately HK\$530,000. On 20 July 2007, final meetings of members and creditors of HK Bus were held. HK Bus was dissolved on 24 October 2007.

- (4) Mr. Ren was appointed as a director of Yau Fung Tours and Transportation Company Limited (“Yau Fung”) during the period from 25 March 2003 to 17 December 2004.

Yau Fung was incorporated in Hong Kong on 11 February 1977. The principal businesses of Yau Fung were provision of transportation services and investment holding. Yau Fung is a wholly-owned subsidiary of GD Tours.

Yau Fung was placed into voluntary liquidation under Section 228(1)(c) of the Companies Ordinance on 17 December 2004. Total claims received by the liquidators are in the amount of approximately HK\$1,800,000. A final meeting of members and creditors will be held in mid 2008.

Save as disclosed above, in relation to the re-election of Mr. Ren as an Executive Director of the Company, there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under Rule 13.51(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), and there is no other matter which needs to be brought to the attention of the shareholders of the Company.

Mr. Choi Kam Fai, Thomas, aged 62, was appointed an Independent Non-Executive Director of the Company in October 2004. Mr. Choi is a Certified Management Accountant with the Society of Management Accountants of Canada. He holds a bachelor degree in Commerce and Business Administration from the University of Alberta, Canada and completed the Executive Development Program organized by J.L. Kellogg Graduate School of Management of the Northwestern University, U.S.A. Mr. Choi is the General Manager of the Internal Audit Department of Henderson Land Development Company Limited. He has worked for the audit departments of various private, public and governmental bodies in Hong Kong and Canada for 30 years.

Other than as stated above, Mr. Choi is not related to any Director, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Choi was interested in 60,000 ordinary shares in the Company within the meaning of Part XV of the SFO.

There is no service contract between the Company and Mr. Choi. He is subject to retirement by rotation and re-election at least once every three years in accordance with the Articles. Mr. Choi is entitled to a director's fee of HK\$150,000 per annum. His director's fee was determined by reference to his responsibilities and the prevailing market conditions.

Save as disclosed above, in relation to the re-election of Mr. Choi as an Independent Non-Executive Director of the Company, there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under Rule 13.51(2) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the shareholders of the Company.

Mrs. Ho Lam Lai Ping, Theresa, aged 52, was appointed a Director of the Company in July 2000. She is also a Director of Kingway Brewery Holdings Limited ("Kingway"). Kingway, which is a subsidiary of GDH, is listed on The Stock Exchange of Hong Kong Limited. She has been the Company Secretary of GDI since December 1992. Mrs. Ho graduated from Hong Kong Polytechnic and is an associate of both The Institute of Chartered Secretaries and Administrators in the United Kingdom and The Hong Kong Institute of Company Secretaries.

Other than as stated above, Mrs. Ho is not related to any Director, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mrs. Ho was interested in 800,000 ordinary shares in GDI and 98,000 ordinary shares in Kingway within the meaning of Part XV of the SFO.

There is no service contract between the Company and Mrs. Ho. She is subject to retirement by rotation and re-election at least once every three years in accordance with the Articles. Pursuant to the Articles, Mrs. Ho, as a Non-Executive Director, is entitled to such director's fee as may be approved by the board of directors of the Company. She is not currently receiving any remuneration from the Company.

Save as described below, there is no enterprise, company or unincorporated enterprise that has been dissolved or put into liquidation (otherwise than by a member's voluntary winding up when the company was solvent) or bankruptcy or been the object of an analogous proceeding, or entered into any form of arrangement or composition with creditors, or had a receiver, trustee or similar officer appointed over it during the time when Mrs. Ho was one of its directors or within 12 months after her ceasing to act as one of its directors.

- (1) Mrs. Ho was a director of GDI during the period from 31 July 1996 to 30 May 2000 and is a director of a number of subsidiaries of GDI. GDI was incorporated in Hong Kong on 5 January 1973. The principal activities of GDI and its subsidiaries (the "GDI Group") include investment holding, property holding and investment, investment in infrastructure and energy projects, water supply to Hong Kong, and Shenzhen and Dongguan in the mainland of the People's Republic of China, hotel ownership and operations, hotel management and department stores operation.

As disclosed in GDI's announcement dated 23 December 2000, the debt restructuring of the GDI Group (including the Bank Debt Restructuring, the Bond Restructuring, the 2001 FRN Restructuring, the 2000 FRN Restructuring and the US\$27 million Bond Restructuring as defined in the announcement of GDI dated 23 December 2000) became effective on 22 December 2000. Debts subject to restructuring at GDI level amounted to approximately HK\$4.5 billion and debts subject to restructuring at selected stand alone subsidiaries amounted to an additional HK\$2.3 billion approximately. As announced by GDI on 6 May 2003, all outstanding financial indebtedness of GDI (including those under guarantees issued by GDI) under the debt restructuring scheme pursuant to the master override agreement dated 15 December 2000 between GDI and its financial creditors ("MOA") was repaid or settled in full on 2 May 2003. All the stand alone override agreements relating to the debt restructuring schemes for the stand alone subsidiaries of GDI had likewise been completed. All professional fees relating to the debt restructuring scheme as aforesaid had since further been ascertained and settled in full. Accordingly the MOA had been completed and terminated automatically in November 2003, and GDI had been fully released from any further obligation under, and had successfully exited from, its debt restructuring completely.

- (2) Mrs. Ho was a non-executive director of Guangdong (H.K.) Tours Company Limited ("GD Tours") from 7 July 2000 to 19 January 2004. GD Tours was incorporated in Hong Kong on 24 April 1981. The principal businesses of GD Tours were tourism, traveling and related services. GD Tours was a wholly-owned subsidiary of GDI during the period from 6 January 1992 to 30 March 2003. GD Tours has become a wholly-owned subsidiary of GDH since 31 March 2003.

On 12 June 2003, a petition for the winding up of GD Tours was presented to the High Court of Hong Kong (the “Court”) by two creditors of GD Tours for a total indebtedness of HK\$222,385,095.35 together with interest accrued thereon.

The petition was heard on 6 August 2003 whereupon the winding up order was granted by the Court. On 8 December 2003, liquidators of GD Tours were appointed. An order by the Court was made on 16 January 2004 for the winding up of GD Tours to be conducted as if it were a creditors’ voluntary winding up. Total claims received by the liquidators are in the amount of approximately HK\$316,000,000. The winding up of GD Tours is currently still in progress.

Save as disclosed above, in relation to the re-election of Mrs. Ho as a Non-Executive Director of the Company, there is no information which is discloseable nor is/was she involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under Rule 13.51(2) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the shareholders of the Company.



粵海制革有限公司

GUANGDONG TANNERY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 1058)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Annual General Meeting of Guangdong Tannery Limited (the “Company”) will be held at The Boardroom, Basement II, The Wharney Guang Dong Hotel Hong Kong, No. 57–73 Lockhart Road, Wanchai, Hong Kong on Tuesday, 27 May 2008 at 10:00 a.m. for the purposes of transacting the following businesses:

As Ordinary Business:

1. To receive and consider the audited Consolidated Financial Statements and the Reports of the Directors and the Auditors for the year ended 31 December 2007.
2. To re-elect retiring Directors and to authorise the Board of Directors to fix the remuneration of Directors.
3. To re-appoint Auditors and to authorise the Board of Directors to fix their remuneration.

And as Special Business, to consider and, if thought fit, to pass with or without amendments, the following resolution as an ordinary resolution:

ORDINARY RESOLUTION

4. “**THAT:**

- (a) subject to the following provisions of this resolution and pursuant to Section 57B of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong), the exercise by the Directors of the Company during the Relevant Period (as defined in paragraph (d) of this resolution) of all the powers of the Company to allot, issue and deal with ordinary shares of HK\$0.10 each in the capital of the Company (the “Ordinary Shares”) and/or options, warrants and/or instruments carrying rights to subscribe for any Ordinary Shares or securities convertible into Ordinary Shares, and to make and/or grant offers, agreements and/or options which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution shall be in addition to any other authorisation given to the Directors and shall authorise the Directors during the Relevant Period to make and/or grant offers, agreements and/or options which would or might require the exercise of such powers after the end of the Relevant Period;

- (c) the aggregate nominal amount of the Ordinary Shares allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with (whether pursuant to an option or otherwise) by the Directors pursuant to the approval given under paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (d) of this resolution), (ii) the exercise of the rights of subscription or conversion attaching to any warrants, convertible bonds or other securities issued by the Company which are convertible into Ordinary Shares, (iii) the exercise of options granted by the Company under any share option scheme or similar arrangement for the time being adopted for the grant to the Directors, officers and/or employees of the Company and/or any of its subsidiaries and/or other eligible person (if any) of rights to acquire Ordinary Shares, or (iv) any scrip dividend or similar arrangement providing for the allotment and issue of Ordinary Shares in lieu of the whole or part of a dividend on the Ordinary Shares in accordance with the articles of association of the Company (the “Articles”), shall not exceed 20 percent of the aggregate nominal amount of the Ordinary Shares in issue as at the date of the passing of 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 the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable laws of Hong Kong to be held; and
- (iii) the date on which the authority given under this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting;

and,

“Rights Issue” means an offer of Ordinary Shares open for a period fixed by the Company (or by the Directors) to the holders of Ordinary Shares on the Register of Members (Ordinary Shares) of the Company on a fixed record date in proportion to their then holdings of such Ordinary Shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

By order of the Board
Lee Wai Mei
Company Secretary

Hong Kong, 22 April 2008

Registered office:
29th Floor
Guangdong Investment Tower
148 Connaught Road Central
Hong Kong

Notes:

- (i) A shareholder entitled to attend and vote at the above meeting may appoint more than one proxy to attend and, on a poll, vote in his place and such proxy need not be a shareholder of the Company.
- (ii) A form of proxy is enclosed. To be valid, the form of proxy together with the power of attorney (if any) or other authority (if any) under which it is signed (or a notarially certified copy of such power or authority) must be delivered to the Company's share registrar and transfer office, Tricor Tengis Limited, at 26th Floor Tesbury Centre, 28 Queen's Road East, Hong Kong, not less than 48 hours before the time fixed for holding the meeting or adjourned meeting. The appointment of a proxy will not prevent a shareholder from subsequently attending and voting at the meeting or any adjourned meeting if he so wishes. If a shareholder who has lodged a form of proxy attends the meeting, his form of proxy will be deemed to have been revoked.
- (iii) In the case of joint shareholders, 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 will be determined by the order in which the names stand in the Company's register of shareholders in respect of the joint holding.
- (iv) The Register of Members of the Company will be closed on Monday, 26 May 2008 and Tuesday, 27 May 2008, during such period no transfer of shares will be registered.

In order to determine the identity of the Members who are entitled to attend and vote at the Meeting, all transfer documents accompanied by the relevant share certificates must be lodged at the office of the Company's share registrar and transfer office, Tricor Tengis Limited at 26th Floor Tesbury Centre, 28 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Friday, 23 May 2008.

- (v) In relation to resolution no. 4, approval is being sought from the shareholders for the grant to the Directors of a general mandate to authorise the allotment and issue of shares under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The purpose of the general mandate to be conferred on the Directors is to enable them to issue shares up to a specified number without having to first obtain the consent of shareholders in general meeting. The need for such an issue of shares could, for example, arise in the context of a transaction (such as an acquisition) which has to be completed speedily. The Directors believe that it is in the interest of the Company if such a general mandate is granted to them. The Directors wish to state that they presently have no immediate plans to issue any new shares of the Company other than shares which may fall to be issued under the share option scheme of the Company.