
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, company secretary, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Café de Coral Holdings Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or 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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CAFÉ DE CORAL HOLDINGS LIMITED

大家樂集團有限公司

(Incorporated in Bermuda with Limited Liability)

(Stock Code: 341)

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

A notice convening the Annual General Meeting of the Company to be held at The Ballroom, 18/F., Hotel Miramar, 118-130 Nathan Road, Tsim Sha Tsui, Kowloon, Hong Kong on Wednesday, 17th September, 2008 at 2:30 p.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 meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Head Office of the Company not less than 48 hours before the time appointed for 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 if you so wish.

Hong Kong, 25th July, 2008

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DEFINITIONS

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

“associate”	shall have the meaning ascribed to it under rule 1.01 of the Listing Rules
“AGM”	the annual general meeting of the Company to be held at 2:30 p.m. on Wednesday, 17th September, 2008 at The Ballroom, 18/F., Hotel Miramar, 118-130 Nathan Road, Tsim Sha Tsui, Kowloon, Hong Kong
“AGM Notice”	the notice convening the AGM as set out on pages 14 to 17 of this circular
“Board”	the board of Directors or a duly authorized committee thereof
“Bye-laws”	the bye-laws of the Company, as amended from time to time
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the laws of Hong Kong)
“Company”	Café de Coral Holdings Limited 大家樂集團有限公司, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Directors”	the director(s) of the Company
“Extension of Share Issue Mandate”	a general mandate proposed to be granted to the Board to extend the Share Issue Mandate by adding those Shares that may be purchased under the Repurchase Mandate in the manner as set out in the AGM Notice
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	17th July, 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Repurchase Mandate”	a general mandate proposed to be granted to the Board to exercise all the powers of the Company to repurchase Shares in the manner as set out in the AGM Notice
“SFO”	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company
“Share Issue Mandate”	a general mandate proposed to be granted to the Board to allot, issue and deal with new Shares in the manner as set out in the AGM Notice
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

LETTER FROM THE BOARD



CAFÉ DE CORAL HOLDINGS LIMITED

大家樂集團有限公司

(Incorporated in Bermuda with Limited Liability)

(Stock Code: 341)

Executive directors:

Mr. Chan Yue Kwong, Michael (*Chairman*)
Mr. Lo Hoi Kwong, Sunny (*Managing Director*)
Ms. Lo Pik Ling, Anita
Mr. Lo Tak Shing, Peter

Non-executive directors:

Mr. Lo Tang Seong, Victor
Mr. Lo Hoi Chun
Mr. Hui Tung Wah, Samuel

Independent non-executive directors:

Mr. Choi Ngai Min, Michael
Mr. Li Kwok Sing, Aubrey
Mr. Kwok Lam Kwong, Larry

Registered Office:

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

Head Office:

10th Floor
Café de Coral Centre
5 Wo Shui Street
Fo Tan, Shatin
New Territories
Hong Kong

25th July, 2008
Hong Kong

To the Shareholders

Dear Sir or Madam,

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

INTRODUCTION

The purpose of this circular is to provide you with information relating to the Repurchase Mandate, the Share Issue Mandate, the Extension of Share Issue Mandate, the re-election of retiring Directors and to give you AGM Notice.

LETTER FROM THE BOARD

SHARE ISSUE MANDATE AND EXTENSION OF SHARE ISSUE MANDATE

At the AGM, an ordinary resolution no. 5 as set out in the AGM Notice will be proposed to grant to the Board a general mandate to allot, issue and deal with new Shares up to an amount not exceeding 20% of the issued share capital of the Company at the date of passing of such resolution, which is equivalent to 110,653,606 Shares on the assumption that there are no further changes to the issued share capital of the Company from the Latest Practicable Date to the date of AGM. Such mandate will give the Board greater flexibility to issue securities when it is in the interests of the Company.

In addition, if the Share Issue Mandate and Repurchase Mandate are granted, an ordinary resolution no. 7 as set out in the AGM Notice will be proposed at the AGM to grant to the Board the Extension of Share Issue Mandate, which provides that any Shares repurchased under the Repurchase Mandate will be added to the total number of Shares which may be allotted and issued under the Share Issue Mandate.

REPURCHASE MANDATE

At the last annual general meeting held on 18th September, 2007, a general mandate was given to the Board to exercise the powers of the Company to repurchase Shares up to but not exceeding 10% of the aggregate nominal amount of the share capital in issue as of the date of the mandate granted. Such mandate will lapse at the conclusion of the forthcoming AGM in accordance with the terms thereof. An ordinary resolution no. 6 as set out in the AGM Notice will be proposed at the AGM to grant the Repurchase Mandate to the Board.

The explanatory statement, as required by the Listing Rules to regulate the repurchase of their own securities on the Stock Exchange by companies with primary listings on the Stock Exchange and as set out in Appendix I to this circular, is to provide the requisite information to you to authorize the Board to exercise the powers to repurchase Shares up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the ordinary resolution no. 6 as set out in the AGM Notice.

RE-ELECTION OF DIRECTORS

Mr. Chan Yue Kwong, Michael and Mr. Lo Hoi Kwong, Sunny, being the Executive Chairman and Managing Director of the Company respectively, have waived their rights under the applicable laws in Bermuda and be subject to Bye-laws of the Company. Thus, in accordance with Bye-law 109(A), the Directors retiring by rotation at the forthcoming AGM are Mr. Lo Hoi Kwong, Sunny, Mr. Lo Tang Seong, Victor, Mr. Hui Tung Wah, Samuel and Mr. Choi Ngai Min, Michael, who being eligible, offer themselves for re-election. The particulars of these Directors which are required to be disclosed by the Listing Rules are set out in Appendix II to this circular.

LETTER FROM THE BOARD

RIGHT TO DEMAND A POLL

Pursuant to the Bye-laws, resolutions proposed at the AGM shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:

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

AGM

AGM Notice is set out on pages 14 to 17 of this circular. At the AGM, resolutions will be proposed to approve, inter alia, the Share Issue Mandate, the Repurchase Mandate, the Extension of Share Issue Mandate.

A form of proxy for use at the AGM is enclosed with this circular. Whether or not you are able to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Head Office of the Company not less than 48 hours before the time appointed for 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 if you so wish.

LETTER FROM THE BOARD

RECOMMENDATION

The Board considers that the ordinary resolutions as set out respectively in the AGM Notice are all in the best interests of the Company and its Shareholders. Accordingly, the Board recommends the Shareholders to vote in favour of such resolutions to be proposed at the AGM.

Yours faithfully,
For and on behalf of the Board
Chan Yue Kwong, Michael
Chairman

The following is the explanatory statement required to be sent to Shareholders under the Listing Rules to enable them to make an informed decision on whether to vote for or against the ordinary resolution in relation to the Repurchase Mandate to be proposed at the AGM.

1. SHARE CAPITAL

It is proposed that up to 10% of the aggregate nominal amount of the issued capital of the Company as at the date of the passing of the resolution to approve the Repurchase Mandate may be repurchased. As at the Latest Practicable Date, the number of Shares of the Company in issue was 553,268,033. On the basis of such figure, subject to the passing of the relevant resolution, the Board would be authorized to repurchase up to 55,326,803 Shares.

2. REASONS OF REPURCHASE

As it may be to the benefit of the Company to repurchase Shares in certain circumstances, the Board is seeking the grant of the Repurchase Mandate to give the Company the flexibility to do so if and when appropriate. Such repurchases may depend on market conditions and funding arrangements at the time, leading to an enhancement of the net assets and/or earnings per Share and liquidity of the Shares.

3. FUNDING OF REPURCHASE

It is envisaged that the funds required for any repurchase would be derived from those funds of the Company legally permitted to be utilised in this connection in accordance with its Memorandum of Association and Bye-laws and the laws of Bermuda, including capital paid up on the Shares to be repurchased, profits otherwise available for distribution and sums standing to either the share premium account or contributed surplus account of the Company.

There could be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in its most recent published audited accounts for the year ended 31st March, 2008) in the event that the proposed share repurchases were to be carried out in full at any time during the proposed repurchase period. However, the Board does not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Board are from time to time appropriate for the Company.

4. SHARE PRICE

The highest and lowest prices at which the Shares traded on the Stock Exchange in each of the previous twelve months are as follows:

	Price per Share	
	Highest (HK\$)	Lowest (HK\$)
2007		
August	14.92	13.00
September	15.36	14.30
October	15.86	14.30
November	16.98	15.20
December	19.30	16.70
2008		
January	19.34	15.00
February	16.88	15.40
March	15.92	14.16
April	15.98	14.88
May	16.42	15.30
June	15.90	13.80
July (up to the Latest Practicable Date)	14.68	13.60

5. UNDERTAKING

The Board has undertaken to the Stock Exchange to exercise the power of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules, the laws of Bermuda, the Memorandum of Association and the Bye-laws of the Company.

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

No connected persons of the Company have notified the Company of a present intention to sell Shares to the Company and no such persons have undertaken not to sell any Shares held by them to the Company in the event that the Repurchase Mandate is granted by Shareholders.

6. HONG KONG CODE ON TAKEOVERS AND MERGERS

If as a result of a repurchase of Shares 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 obtain or consolidate control of the Company and depending on the level of increase in the Shareholders' interest, may become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best knowledge and belief of the Company and according to the registers of interests required to be kept by the Company under the SFO, the single largest shareholder of the Company is GZ Trust Corporation who held, through NKY Holding Corporation, LBK Holding Corporation and MMW Holding Corporation, 118,940,834 Shares, representing approximately 21.50% of the issued share capital of the Company. On such basis, if the Repurchase Mandate is fully exercised by the Company, there will be an effect of increasing the percentage shareholding of GZ Trust Corporation to 23.89%, but such increase will not give rise to any obligation under Rule 26 of the Takeovers Code to make a mandatory offer. The Board is also not aware of any other Shareholder which may become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code if the Board exercises the powers of the Company to repurchase Shares pursuant to Repurchase Mandate to be granted to the Board by the Shareholders.

7. SHARE REPURCHASE MADE BY THE COMPANY

The Company has not purchased any of its Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

Set out below are details of the Directors who will retire at the conclusion of the AGM and will be proposed to be re-elected at the AGM.

Mr. Lo Hoi Kwong, Sunny

Mr. Lo Hoi Kwong, Sunny, aged 52, is the Managing Director of the Company. Mr. Lo joined the Group in 1982 and has been an Executive Director of the Company since 1990. Mr. Lo is responsible for business development in Hong Kong and overseas, as well as the marketing, operation, food processing and information technology functions of the Group. He holds a Master Degree in Chemical Engineering from Stanford University. Mr. Lo is also a director of certain subsidiaries of the Group. Mr. Lo had not held any directorship in other listed public companies in the last three years.

Mr. Lo has a service contract with the Company for a term of 3 years expiring on 31st March, 2010. Being the Managing Director of the Company, Mr. Lo is not subject to retirement by rotation under the applicable statute in Bermuda. However, Mr. Lo had waived his rights under the said statute and agreed to subject to retirement by rotation as stipulated under the Company's Bye-laws in the forthcoming AGM.

Mr. Lo is a relative of each of Mr. Chan Yue Kwong, Michael (the Executive Chairman and substantial shareholder* of the Company), Mr. Lo Tak Shing, Peter (the Executive Director and substantial shareholder* of the Company), Mr. Lo Hoi Chun (the Non-Executive Director and substantial shareholder* of the Company), Mr. Man Tak Wah and Ms. Man Bo King (being the substantial shareholders* of the Company). Mr. Lo is the son of Mr. Lo Tang Seong, Victor (the Non-Executive Director of the Company), the brother of Ms. Lo Pik Ling, Anita (the Executive Director and substantial shareholder* of the Company) and the spouse of Ms. Tso Po Ping (the substantial shareholder* of the Company). Mr. Lo is also a director of NKY Holding Corporation (being substantial shareholder* of the Company).

As at the Latest Practicable Date, Mr. Lo was interested and deemed to be interested in 96,563,394 shares of the Company within the meaning of the Part XV of the SFO. For the year ended 31st March, 2008, the amount of emoluments payable to Mr. Lo is approximately HK\$1,794,000 (which included his basic salary and allowance) and such amount of discretionary bonus which the Company may decide to pay, the nature of which are specified under the service contract with the Company. The amount of emoluments payable to Mr. Lo is determined by reference to his qualification, experience and market benchmarks.

Save as disclosed above, there is no other information relating to Mr. Lo required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules nor are there any other matters that need to be brought to the attention of the Shareholders of the Company.

* *within the meaning of Part XV of the SFO*

Mr. Lo Tang Seong, Victor

Mr. Lo Tang Seong, Victor, aged 93, is the founder of the Group and has been a Non-Executive Director of the Company since 1990. He had considerable experience in the food and beverage industry. Prior to founding the Group in 1968, he had been in charge of production management at The Hong Kong Soya Bean Products Company Limited for 17 years. Mr. Lo is also a director of certain subsidiaries of the Group. Mr. Lo had not held any directorship in other Hong Kong listed public companies in the last three years.

Mr. Lo is the father-in-law of Mr. Chan Yue Kwong, Michael (the Executive Chairman and substantial shareholder* of the Company), the father of Mr. Lo Hoi Kwong, Sunny (the Managing Director and substantial shareholder* of the Company) and Ms. Lo Pik Ling, Anita (the Executive Director and substantial shareholder* of the Company). Mr. Lo is also a relative of each of Mr. Lo Tak Shing, Peter (the Executive Director and substantial shareholder* of the Company), Mr. Lo Hoi Chun (the Non-Executive Director and substantial shareholder* of the Company), Mr. Man Tak Wah, Ms. Tso Po Ping and Ms. Man Bo King (being the substantial shareholders* of the Company). Mr. Lo is also a director of NKY Holding Corporation (being substantial shareholder* of the Company).

As at the Latest Practicable Date, Mr. Lo does not have any interest in the shares of the Company within the meaning of the Part XV of the SFO. There is no service contract entered into between Mr. Lo and the Company. Mr. Lo's appointment as a Director of the Company is subject to retirement by rotation under the Company's Bye-laws. During the year ended 31st March, 2008, Mr. Lo received a director's fee of HK\$50,000 from the Company. Subject to the authorization to be obtained at the AGM, the Board may fix Mr. Lo's remuneration, which will be determined by the Board with reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions.

Save as disclosed above, there is no other information relating to Mr. Lo required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules nor are there any other matters that need to be brought to the attention of the Shareholders of the Company.

* *within the meaning of Part XV of the SFO*

Mr. Hui Tung Wah, Samuel

Mr. Hui Tung Wah, Samuel, aged 54, joined the Group in 1984 and has been a Non-executive Director of the Company since 1997. He holds a Bachelor Degree in Social Sciences from the University of Hong Kong and a Master Degree in Business Administration from the Brunel University in the United Kingdom. Mr. Hui is an executive director of Omnicorp Limited, a company whose shares are listed on the Main Board of the Stock Exchange. Mr. Hui is also a non-executive director of WLS Holdings Limited, a company whose shares are listed on the Growth Enterprise Market of the Stock Exchange. Save for disclosed herein, Mr. Hui did not hold any other directorships in listed public companies in the last three years.

Mr. Hui comes from a strong financial and general management background having spent 30 years working in senior management positions of major international and local banks, and companies in Hong Kong, Australia and Canada. He is a seasoned executive and has extensive management experience.

As at the Latest Practicable Date, Mr. Hui has a personal interest of 25,837 Shares within the meaning of Part XV of the SFO. Mr. Hui does not have any relationships with any Directors, senior management or substantial or controlling shareholders of the Company. There is no service contract entered into between Mr. Hui and the Company. Mr. Hui's appointment as a Director to the Company is subject to retirement by rotation under the Company's Bye-laws.

For the financial year ended 31st March, 2008, the Director's fee of Mr. Hui as a Non-executive Director of the Company is HK\$50,000. Subject to the authorization to be obtained at the AGM, the Board may fix Mr. Hui's remuneration, which will be determined by the Board with reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions.

Save as disclosed herein, there are no other matters relating to Mr. Hui required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules nor are there any other matters that need to be brought to the attention of the Shareholders of the Company.

Mr. Choi Ngai Min, Michael

Mr. Choi Ngai Min, Michael, J.P., aged 50, was appointed as an Independent Non-executive Director of the Company in 1994. He is the chairman of Land Power International Holdings Limited. Mr. Choi has been in the real estate industry for over 27 years with extensive knowledge and experience in the real estate markets in Hong Kong and Mainland China. Currently, he is a member of the Real Estate and Infrastructure Committee of the Hong Kong General Chamber of Commerce and chairman of the Public Affairs Committee of the Hong Kong Institute of Real Estate Administration. Mr. Choi was a member of the Housing Authority from 1999 to 2007, chairman of the Subsidised Housing Committee of Housing Authority from 2006 to 2007, President of the Society of Hong Kong Real Estate Agents from 1992 to 1996, Vice President of the Hong Kong Association For The Advancement of Real Estate and Construction Technology from 1997 to 2001, a member of the Estate Agents Authority from 1997 to 2002, and a member of the Infrastructure Development Advisory Committee of the Hong Kong Trade Development Council from 2003 to 2006. Mr. Choi graduated from the Business Management Department of the Hong Kong Baptist College and obtained a Master Degree in Business Administration from the University of East Asia, Macau. Mr. Choi is a Justice of the Peace appointed by the Government of the Hong Kong Special Administrative Region in 2005. Mr. Choi had not held any directorship in other listed public companies in the last three years.

As at the Latest Practicable Date, Mr. Choi does not have any interests in Shares within the meaning of Part XV of the SFO. Mr. Choi does not have any relationships with any Directors, senior management or substantial or controlling shareholders of the Company. There is no service contract entered into between Mr. Choi and the Company. Mr. Choi's appointment as a Director to the Company is subject to retirement by rotation under the Company's Bye-laws.

For the financial year ended 31st March, 2008, the Director's fee of Mr. Choi as an Independent Non-executive Director of the Company is HK\$100,000. Subject to the authorization to be obtained at the AGM, the Board may fix Mr. Choi's remuneration, which will be determined by the Board with reference to the Company's performance and profitability, as well as remuneration benchmark in the industry and the prevailing market conditions.

Save as disclosed herein, there are no other information related to Mr. Choi required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules nor are there any other matters that need to be brought to the attention of the Shareholders of the Company.

NOTICE OF ANNUAL GENERAL MEETING



CAFÉ DE CORAL HOLDINGS LIMITED

大家樂集團有限公司

(Incorporated in Bermuda with Limited Liability)

(Stock Code: 341)

NOTICE IS HEREBY GIVEN that the 2008 Annual General Meeting (the “Meeting”) of Café de Coral Holdings Limited (the “Company”) will be held at The Ballroom, 18/F., Hotel Miramar, 118-130 Nathan Road, Tsim Sha Tsui, Kowloon, Hong Kong on Wednesday, 17th September, 2008 at 2:30 p.m. for the following purposes:

As Ordinary Business:

1. To receive and adopt the Audited Accounts and the reports of the Directors and Auditors for the year ended 31st March, 2008;
2. To declare a final dividend;
3. To re-elect retiring Directors and authorize the Board of Directors to fix their remuneration;
4. To re-appoint Messrs. PricewaterhouseCoopers as the auditors of the Company and authorize the Board of Directors to fix their remuneration;

As Special Business:

5. To consider, and if thought fit, pass (with or without amendments) the following resolution as an Ordinary Resolution:

“THAT

- (a) subject to paragraph (c) below, the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and otherwise deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall authorize the Directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;

NOTICE OF ANNUAL GENERAL MEETING

- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph (a), otherwise than pursuant to (i) a Rights Issue; or (ii) the exercise of rights of subscription or conversion under the terms of any warrant or other securities issued by the Company carrying a right to subscribe for shares of the Company; or (iii) the exercise of subscription rights under any employee share option scheme; or (iv) an issue of shares as scrip dividends pursuant to the Bye-laws of the Company from time to time, shall not exceed the aggregate of:
- (i) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this Resolution; and
 - (ii) (if the Directors of the Company are so authorized by a separate ordinary resolution of the shareholders of the Company) the nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this Resolution (up to a maximum equivalent to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this Resolution), and the said approval shall be limited accordingly;
- (d) for the purposes of this Resolution:

“Relevant Period” means the period from the date of passing of this Resolution until whichever is 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 Bye-laws of the Company or any applicable laws to be held; and
- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means the allotment, issue or grant of shares pursuant to an offer (open for a period fixed by the Directors of the Company) made to holders of shares or any class thereof on the Register of Members of the Company on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusion or other arrangements as the Directors 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);

NOTICE OF ANNUAL GENERAL MEETING

6. To consider and, if thought fit, pass (with or without amendments) the following resolution as an Ordinary Resolution:

“THAT

- (a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period (which shall have the same meaning for the purpose of this Resolution, mutatis mutandis, as given in paragraph (d) of the resolution set out as Resolution No. 5 in the notice of this Meeting) of all powers of the Company to purchase its shares, 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 be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares to be purchased by the Company pursuant to the approval in paragraph (a) above shall not exceed 10 per cent. of the aggregate nominal amount of the shares of the Company in issue at the date of passing of this Resolution and the said approval shall be limited accordingly.”;
7. To consider and, if thought fit, pass (with or without amendments) the following resolution as an Ordinary Resolution:

“THAT conditional upon the passing of the Resolution Nos. 5 and 6, the general mandate granted to the Directors of the Company (pursuant to Resolution No. 5 or otherwise) and for the time being in force to exercise the powers of the Company to allot shares be and is hereby extended by an amount representing the aggregate nominal amount of the share capital repurchased by the Company under the authority granted by the resolution set out as Resolution No. 6.”.

By Order of the Board
To Hon Fai, Alfred
Company Secretary

Hong Kong, 25th July, 2008

Registered Office:

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

Head Office:

10th Floor
Café de Coral Centre
5 Wo Shui Street
Fo Tan, Shatin
New Territories
Hong Kong

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. A member entitled to attend and vote at the Meeting convened by the above notice may appoint one or more proxies to attend the Meeting and vote on a poll instead of him. A proxy need not be a member of the Company.
2. In order to be valid, a form of proxy and the power of authority (if any) under which it is signed or a notarially certified copy of such power of authority must be deposited with the Company Secretary at the Company's Head Office at 10th Floor, Café de Coral Centre, 5 Wo Shui Street, Fo Tan, Shatin, New Territories, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.
3. The Register of Members will be closed from Wednesday, 10th September, 2008 to Wednesday, 17th September, 2008, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, all completed transfer forms, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong Branch Share Registrars, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 9th September, 2008.