

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about this circular or as to the action to be taken, you should consult your stockbroker, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Solartech International Holdings Limited, you should at once hand this circular and the form of proxy accompanying with the Annual Report to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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SOLARTECH INTERNATIONAL HOLDINGS LIMITED

榮盛科技國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1166)

**PROPOSALS FOR GENERAL MANDATES
TO REPURCHASE SHARES AND ISSUE NEW SECURITIES,
AMENDMENTS TO BYE-LAWS,
ELECTION OF DIRECTORS,
REFRESHMENT OF SCHEME MANDATE LIMIT
AND
NOTICE OF ANNUAL GENERAL MEETING**

The notice convening the Annual General Meeting of Solartech International Holdings Limited (the "Company") to be held at The Garden Room, 2nd Floor, The Royal Garden, 69 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Thursday, 16 November 2006 at 11:00 a.m. at which the above proposals will be considered is set out in Appendix III to this circular.

A form of proxy for the Annual General Meeting is also enclosed with this circular. If you are not 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 and principal place of business of the Company in Hong Kong at No. 7, 2nd Floor, Kingsford Industrial Centre, 13 Wang Hoi Road, Kowloon Bay, Kowloon, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting if you so wish.

* For identification purposes only

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DEFINITIONS

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

| | |
|---------------------------|--|
| “AGM” | the 2006 annual general meeting of the Company to be held on Thursday, 16 November 2006, notice of which is set out in Appendix III to this circular; |
| “associate” | has the meaning ascribed to in the Listing Rules; |
| “Bye-laws” | the bye-laws of the Company; |
| “Company” | Solartech International Holding Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Stock Exchange; |
| “Director(s)” | director(s) of the Company; |
| “Group” | the Company and its subsidiaries; |
| “Hong Kong” | Hong Kong Special Administrative Region of the People’s Republic of China; |
| “Issue Mandate” | shall have the meaning as defined under the heading “General mandate to issue securities” in the “Letter from the board”; |
| “Latest Practicable Date” | 16 October 2006, being the latest practicable date prior to the printing of this circular for ascertaining certain information herein; |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange; |
| “Repurchase Mandate” | shall have the meaning as defined under the heading “General mandate to repurchase shares” in the “Letter from the board”; |
| “Scheme Mandate Limit” | the maximum number of Shares that may be issued upon exercise of all Share Options to be granted under the Share Option Scheme and all other options under any other share option schemes of the Group; in respect of the existing Scheme Mandate Limit, 39,236,436 Shares, and in respect of the Scheme Mandate Limit (as refreshed) to be approved at the forthcoming AGM, equivalent to 10% of the issued share capital of the Company as at the date of approval of the refreshment of the Scheme Mandate Limit; |

DEFINITIONS

| | |
|-----------------------|--|
| “Share(s)” | ordinary share(s) of HK\$0.01 each in the capital of the Company; |
| “Shareholder(s)” | holder(s) of the Share(s); |
| “Share Option Scheme” | the share option scheme adopted by the Company on 16 September 2002; |
| “Share Option(s)” | the option(s) to subscribe for Share(s) under the Share Option Scheme; |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited; |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong; and |
| “%” | per cent. |

LETTER FROM THE BOARD



SOLARTECH INTERNATIONAL HOLDINGS LIMITED

榮盛科技國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1166)

Executive directors:

CHAU Lai Him (*Chairman and Managing Director*)

ZHOU Jin Hua (*Deputy Chairman*)

LAU Man Tak

LIU Jin Rong

Registered office:

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

Independent non-executive directors:

LO Kao Cheng

LO Wai Ming

CHUNG Kam Kwong

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

No. 7, 2nd Floor

Kingsford Industrial Centre

13 Wang Hoi Road

Kowloon Bay

Kowloon

Hong Kong

20 October 2006

To the Shareholders and option holders,

Dear Sir/Madam,

**PROPOSALS FOR GENERAL MANDATES
TO REPURCHASE SHARES AND ISSUE NEW SECURITIES,
AMENDMENTS TO BYE-LAWS,
ELECTION OF DIRECTORS,
REFRESHMENT OF SCHEME MANDATE LIMIT
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the 2006 Annual General Meeting of the Company to be held on 16 November 2006, as required by the relevant rules set out in the Listing Rules. These include i) ordinary resolutions relating to the granting to the Directors' general mandates for the repurchase of the Shares and the issue of the Shares adding any Shares repurchased

* For identification purposes only

LETTER FROM THE BOARD

under the mandate for the repurchase of Shares; ii) special resolution relating to the amendments to the Bye-laws; iii) ordinary resolution relating to the election of the proposed directors; and iv) the ordinary resolution relating to the refreshment of the Scheme Mandate Limit. The existing general mandates for the repurchase of the Shares and the issue of the Shares will lapse at the forthcoming AGM.

GENERAL MANDATE TO REPURCHASE SHARES

At the AGM, an ordinary resolution will be proposed that the Directors be granted a general and unconditional mandate to exercise all powers of the Company to repurchase on the Stock Exchange or on any other stock exchange on which the Shares of the Company may be listed, Shares up to a maximum of 10 per cent. of the issued share capital of the Company as at the date of passing of the relevant resolution (the "Repurchase Mandate").

GENERAL MANDATE TO ISSUE SECURITIES

An ordinary resolution will also be proposed that the Directors be granted a general and unconditional mandate to allot, issue and deal with securities up to a maximum of 20 per cent. of the issued share capital of the Company as at the date of passing of the relevant resolution (the "Issue Mandate").

In addition, an ordinary resolution will be proposed at the AGM adding any Shares repurchased under the Repurchase Mandate to the Issue Mandate. The Repurchase Mandate and the Issue Mandate would continue in force until the conclusion of the next annual general meeting of the Company unless it is renewed at such meeting or until revoked or varied by ordinary resolutions of the Shareholders in a general meeting held prior to the next annual general meeting of the Company.

An explanatory statement required by the Listing Rules to be sent to the Shareholders in connection with the proposed general mandate to repurchase Shares is set out in Appendix I to this circular. The explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolutions at the AGM.

PROPOSED AMENDMENTS TO THE BYE-LAWS

As the Company's Convertible Non-Voting Preferred Shares have been fully converted and the Company does not have any outstanding Convertible Non-Voting Preferred Shares, all relevant references to, and provisions regarding, the Convertible Non-Voting Preferred Shares in the Bye-Laws shall be deleted in the following manner:

- (1) Bye-law 3(1) is proposed to be amended to delete all references to the convertible non-voting preference shares of US\$100,000 each;
- (2) Bye-law 9A is proposed to be deleted in its entirety; and
- (3) the schedule to the Bye-laws is proposed to be deleted in its entirety.

LETTER FROM THE BOARD

In addition, following the recent amendments to the Listing Rules which took effect on 1 March 2006, a director may now be removed by an ordinary resolution in general meeting instead of a special resolution. It is proposed that Bye-law 86(4) shall be amended to provide that a director may be removed by an ordinary resolution in general meeting so as to comply with the Listing Rules (as amended).

The proposed amendments to the Bye-laws are subject to the approval of the Shareholders by way of a special resolution to be proposed at the AGM. Shareholders should refer to the special resolution as set out in the notice of the AGM as Appendix III to this circular for details of the proposed amendments to the Bye-laws.

ELECTION OF DIRECTORS

In relation to Resolution Number 3 and 4 as set out in the notice of the AGM, Messrs. Chau Lai Him, Liu Jin Rong, Lo Kao Cheng and Chung Kam Kwong will retire from office as Directors at the AGM and Messrs. Chau Lai Him, Liu Jin Rong and Chung Kam Kwong being eligible, will offer themselves for re-election pursuant to Bye-laws 86(2) and 87 of the Bye-laws. Mr. Lo Kao Cheng will not offer himself for re-election at the AGM and the Company proposes to appoint Mr. Lo Chao Ming as the new independent non-executive director of the Company at the AGM to fill the vacancy arising therefrom.

Details of the above Directors, which are required to be disclosed pursuant to the Listing Rules, are set out in Appendix II to this circular.

REFRESHMENT OF THE SCHEME MANDATE LIMIT

The number of Shares subject to the existing Scheme Mandate Limit under the Share Option Scheme is 39,236,436 Shares. As at the Latest Practicable Date, Share Options to subscribe for an aggregate of 39,230,000 Shares have been granted and remain outstanding and unexercised, representing approximately 99.98% of the existing Scheme Mandate Limit. The Scheme Mandate Limit may be "refreshed" by the approval of the Shareholders and the "refreshed" Scheme Mandate Limit must not exceed 10% of the issued share capital of the Company as at the date of the approval. Share Options previously granted under the Share Option Scheme and other share option schemes of the Company (including options outstanding, cancelled, exercised or lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Group) shall not be counted for the purposes of calculating the "refreshed" Scheme Mandate Limit. The Directors therefore proposed that the Scheme Mandate Limit be refreshed and the refreshment of the Scheme Mandate Limit will be subject to the approval of the Shareholders at the forthcoming AGM. Based on the issued share capital of the Company as at the Latest Practicable Date, the number of Shares under the Scheme Mandate Limit to be refreshed will be 48,506,436 Shares, being 10% of the issued share capital of the Company.

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As at the Latest Practicable Date, the total number of Shares which may be issued upon exercise of all Share Options outstanding and yet to be exercised were 58,180,000 Shares, representing approximately 11.99% of the Shares in issue as at the Latest Practicable Date. Assuming that the refreshment of the Scheme Mandate Limit is approved at the forthcoming AGM and taking into account the following:

- (a) the additional 48,506,436 Shares subject to the Scheme Mandate Limit (as refreshed); and
- (b) the 58,180,000 Shares subject to the Share Options granted and yet to be exercised,

the number of Shares that may be issued under the Share Options to be granted under the Scheme Mandate Limit (as refreshed) and to be issued under the Share Options granted and outstanding will be 106,686,436 Shares, representing approximately 21.99% of the Shares in issue as at the Latest Practicable Date and is, based on the number of Shares in issue as at the Latest Practicable Date, within the 30% scheme limit of the Share Option Scheme as prescribed under the Share Option Scheme and the Listing Rules.

Application will be made to the Stock Exchange for the listing of and permission to deal in the Shares to be issued under the refreshed Scheme Mandate Limit.

NOTICE OF ANNUAL GENERAL MEETING

Notice of the AGM is set out in Appendix III to this circular. A proxy form for appointing proxy is despatched with this circular and published on the website of the Stock Exchange (www.hkex.com.hk). If you are not able to attend the AGM, you are requested to complete the proxy form and return it to the head office and principal place of business of the Company in Hong Kong at No. 7, 2nd Floor, Kingsford Industrial Centre, 13 Wang Hoi Road, Kowloon Bay, Kowloon, Hong Kong not less than 48 hours before the time appointed for the holding of the AGM or the adjourned meeting. Completion and return of a proxy form will not preclude you from attending and voting at the meeting and at any adjournment thereof if you so wish.

PROCEDURE FOR DEMANDING A POLL

Pursuant to Bye-law 66 of the Bye-laws, a resolution put to the vote of a meeting 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 demanded by:

- (a) the chairman of such meeting; or
- (b) at least three members present in person (or in the case of a member being a corporation by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or

LETTER FROM THE BOARD

- (c) a member or members present in person (or in the case of a member being a corporation by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all members having the right to vote at the meeting; or
- (d) a member or members present in person (or in the case of a member being a corporation by its duly authorised representative) or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

RECOMMENDATION

The Directors consider that the proposed granting of the general mandates to the Directors to repurchase Shares and to issue Shares adding any Shares repurchased under the Repurchase Mandate, the amendments to the Bye-laws, the election of the proposed Directors and the Refreshment of the Scheme Mandate Limit are in the best interests of the Company and the Shareholders. The Directors therefore recommend the Shareholders to vote in favour of the relevant resolutions as set out in the notice of the AGM.

Yours faithfully,
For and on behalf of the Board
Chau Lai Him
Chairman

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide certain information to you for your consideration of the Repurchase Mandate.

1. SHARE CAPITAL

As at 16 October 2006, being the latest practicable date prior to the printing of this circular, there was a total of 485,064,362 Shares in issue.

Subject to the passing of the resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the AGM, the Company will be allowed to repurchase a maximum of 48,506,436 Shares.

2. REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders to seek a general authority from the Shareholders to enable the Company to repurchase its Shares on the Stock Exchange. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value and/or earnings per share of the Company and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

3. FUNDING OF REPURCHASES

Repurchases made pursuant to the Repurchase Mandate would be funded out of funds legally available for the purpose in accordance with the Company's bye-laws and the applicable laws of Bermuda. Under the laws of Bermuda, the repurchased shares will be cancelled and the Company's issued share capital will be reduced by the nominal value of those repurchased shares accordingly. However, the aggregate amount of the Company's authorised capital will not be reduced.

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the Annual Report for the year ended 30 June 2006) in the event that the Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse impact on the working capital requirements of the Company or the gearing levels of the Company.

4. SHARE PRICES

The following table shows the highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the 12 months preceding the Latest Practicable Date:

| Month | Share Prices Per Share | |
|--|-------------------------------|------------------------------|
| | Highest <i>HK\$</i> | Lowest <i>HK\$</i> |
| 2005 | | |
| October | 0.290 | 0.243 |
| November | 0.260 | 0.238 |
| December | 0.246 | 0.230 |
| 2006 | | |
| January | 0.280 | 0.230 |
| February | 0.295 | 0.248 |
| March | 0.630 | 0.280 |
| April | 1.110 | 0.860 |
| May | 1.060 | 0.800 |
| June | 1.000 | 0.840 |
| July | 0.930 | 0.870 |
| August | 1.100 | 0.840 |
| September | 1.180 | 1.030 |
| October 1 to October 16 (Latest Practicable Date) | 1.210 | 1.050 |

5. GENERAL

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates, has any present intention to sell any Shares to the Company, if the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will only exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Bermuda, and in accordance with the regulations set out in the bye-laws of the Company.

The Company has not been notified by any connected person (as defined in the Listing Rules) that such a person has a present intention to sell, or has undertaken not to sell, any Shares to the Company, if the Repurchase Mandate is approved by the Shareholders.

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 Rule 32 of the Hong Kong Code on Takeovers and Mergers (the "Code"). Accordingly, a Shareholder or a group of Shareholders acting in concert, depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Code.

As at the Latest Practicable Date, the substantial Shareholders together with their respective associates were beneficially interested in 117,202,000 Shares, representing approximately 24.16% of the issued share capital of the Company. In the event that the Directors exercised in full the power to repurchase Shares in accordance with the terms of the Repurchase Mandate and assuming no further Shares are issued by the Company, the interests of the substantial Shareholders together with their respective associates in the Company would be increased to approximately 26.85% of the issued share capital of the Company. Such an increase will not trigger any mandatory general offer obligations under the Code.

Save as disclosed above, the Directors are currently not aware of any consequences which will arise under the Code as a result of any purchase made under the Repurchase Mandate.

The Company had repurchased Shares, whether on the Stock Exchange or otherwise, in the last six months preceding the Latest Practicable Date for this circular, and the details of the repurchase are as follows;

| Dates | Number of Shares repurchased | Method of repurchase | Shares Prices per Share | |
|-------------|------------------------------------|-------------------------|----------------------------|----------------|
| | | | Highest HK\$ | Lowest HK\$ |
| 23 May 2006 | 100,000 | On the Stock Exchange | 0.83 | 0.82 |
| 24 May 2006 | 100,000 | On the Stock Exchange | 0.84 | 0.83 |
| 25 May 2006 | 100,000 | On the Stock Exchange | 0.84 | 0.83 |

Mr. Chau Lai Him, aged 54, is the founder of the Group and the chairman and managing director of the Group. He has been appointed as executive director of the Company since November 1996. He is responsible for the overall management, strategic planning and business development of the Group. He has more than 25 years' experience in manufacturing of cable and wire products.

Mr. Chau is related to Mr. Liu Jin Rong, an executive director of the Company, who is the son-in-law of the sister of Mr. Chau. Save as disclosed above, Mr. Chau does not have any relationship with any of the directors of the Company, senior management or substantial or controlling shareholders of the Company, nor does he have any interests in the Company within the meaning of Part XV of the SFO. Mr. Chau does not have a service contract with the Company and is entitled to director's emolument of HK\$2,500,000 per annum to be determined by the Board based on, amongst other things, level of responsibilities and performance. Mr. Chau is an executive director and chairman of Hua Yi Copper Holdings Limited, a subsidiary of the Company and save as disclosed herein, Mr. Chau does not hold any other directorship. Save as disclosed herein, there are no other matters concerning Mr. Chau that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) (inclusive) of the Listing Rules.

Mr. Liu Jin Rong, aged 32, has been appointed as an executive director of the Company since December 2002. He joined the Group in 1998 and is the administration manager of Dongguan Qiaozi Chau's Electrical Company Limited, a wholly owned subsidiary of the Company. He has more than 5 years' experience in human resources management in PRC. Mr. Liu does not hold any other directorship. He is the son-in-law of the sister of Mr. Chau Lai Him.

Save as disclosed above, Mr. Liu does not have any relationship with any of the directors of the Company, senior management or substantial or controlling shareholders of the Company, nor does he have any interests in the Company within the meaning of Part XV of the SFO. Mr. Liu does not have a service contract with the Company and is entitled to director's emolument of HK\$102,000 per annum to be determined by the Board based on, amongst other things, level of responsibilities and performance. Save as disclosed herein, there are no other matters concerning Mr. Liu that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) (inclusive) of the Listing Rules.

Mr. Chung Kam Kwong, aged 48, has been appointed as an independent non-executive director of the Company since March 2003. He is a practising Certified Public Accountant in Hong Kong and a fellow certified public accountant of the Hong Kong Institute of Certified Public Accountants and a member of CPA Australia, and a council member of the Macau Society of Certified Practising Accountants. He has extensive experience in accounting and financial management and is independent non-executive director of listed companies in Hong Kong.

Mr. Chung is an independent non-executive director of Hua Yi Copper Holdings Limited, a subsidiary of the Company. Mr. Chung is an independent non-executive director of Truly International Holdings Limited which is listed on The Stock Exchange of Hong Kong Limited. Save as disclosed herein, Mr. Chung does not hold any other directorship.

Mr. Chung does not have any relationship with any of the directors of the Company, senior management or substantial or controlling shareholders of the Company, nor does he have any interests in the Company within the meaning of Part XV of the SFO. Mr. Chung does not have a service contract with the Company and he is entitled a fixed director's fee of HK\$80,000 per annum which is determined with reference to market rates. Save as disclosed herein, there are no other matters concerning Mr. Chung that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) (inclusive) of the Listing Rules.

Mr. Lo Chao Ming, aged 41, is the deputy general manager of Sunf Pu Electric Wire & Cable Co., Ltd., a company incorporated in Taiwan, Republic of China. He has more than 20 years' experience in the cable and wire industry. Mr. Lo does not hold any other directorship.

Mr. Lo is the brother of Mr. Lo Kao Cheng, one of the directors of the Company who will retire from office as a director at the AGM and who will not be seeking to be re-elected as a director of the Company.

Save as disclosed above, Mr. Lo does not have any relationship with any of the directors of the Company, senior management or substantial or controlling shareholders of the Company, nor does he have any interests in the Company within the meaning of Part XV of the SFO. Mr. Lo does not have a service contract with the Company and he is entitled a fixed director's fee of HK\$60,000 per annum which is determined with reference to market rates.

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

**SOLARTECH INTERNATIONAL HOLDINGS LIMITED****榮盛科技國際控股有限公司****(Incorporated in Bermuda with limited liability)***(Stock Code: 1166)****NOTICE OF 2006 ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the 2006 Annual General Meeting (the "Meeting") of Solartech International Holdings Limited (the "Company") will be held at The Garden Room, 2nd Floor, The Royal Garden, 69 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Thursday, 16 November 2006 at 11:00 a.m. for the following purposes:

1. To consider and adopt the audited financial statements and the reports of the directors and auditors for the year ended 30 June 2006.
2. To declare a final dividend of HK 4 cents in respect of the year ended 30 June 2006.
3. To re-elect the retiring directors and to authorise the board of directors to fix the directors' remuneration.
4. To appoint Mr. Lo Chao Ming and to authorise the board of directors to fix the director's remuneration.
5. To re-appoint auditors and to authorise the board of directors to fix their remuneration.

As special business, to consider and if thought fit, pass with or without amendments, the following resolutions as Ordinary Resolutions:-

6. A. **"THAT:**
 - (a) subject to paragraph (c) of this Resolution, the exercise by the board of directors of the Company ("Directors") during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.01 each in the capital of the Company ("Shares") or securities convertible into Shares, or options, warrants or similar rights to subscribe for any Shares, and to make or grant offers, agreements, and options which would or might require the exercise of such powers, be and is hereby generally and unconditionally approved;

* For identification purposes only

- (b) the approval in paragraph (a) of this Resolution shall authorise the directors during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such powers after the expiry of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the directors pursuant to the approval granted in paragraph (a) of this Resolution, otherwise than pursuant to:
 - (1) a Rights Issue (as hereinafter defined);
 - (2) an issue of shares pursuant to the exercise of the rights of subscription or conversion attaching to any warrants issued by the Company or any securities which are convertible into Shares;
 - (3) an issue of shares as scrip dividends or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the bye-laws of the Company;
 - (4) an issue of shares by the exercise of options granted under the share option scheme of the Company;

shall not exceed 20 per cent. 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 approval granted in paragraph (a) of this Resolution shall be limited accordingly; and

- (d) subject to the passing of each of the paragraphs (a), (b) and (c) of this Resolution, any prior approvals of the kind referred to in paragraphs (a), (b) and (c) of this Resolution which have been granted to the Directors and which are still in effect be and are hereby revoked;
- (e) for the purpose of this Resolution,

“Relevant Period” means the period from the 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; or
- (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; and

“Rights Issue” means an offer of shares open for a period fixed by the directors to the shareholders of the Company whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares as at that date (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 applicable to the Company).”

B. “THAT

- (a) subject to paragraph (b) of this Resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase Shares on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) or on any exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose (“Recognised Stock Exchange”), subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or those of any other Recognised Stock Exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares of the Company which the Company is authorised to repurchase pursuant to the approval granted in paragraph (a) of this Resolution shall not exceed 10 per cent. 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 approval granted under paragraph (a) of this Resolution shall be limited accordingly; and
- (c) subject to the passing of each of the paragraphs (a) and (b) of this Resolution, any prior approvals of the kind referred to in paragraphs (a) and (b) of this Resolution which have been granted to the Directors and which are still in effect be and are hereby revoked; and
- (d) for the purpose of this Resolution,

“Relevant Period” means the period from the 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; or
- (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.”

- C. “**THAT** conditional upon the passing of the Resolutions set out in paragraphs A and B of item 6 in the notice convening this meeting, the general mandate granted to the Directors to exercise the powers of the Company to allot, issue and otherwise deal with Shares or securities convertible into Shares, or options, warrants or similar rights to subscribe for any Shares, and to make or grant offers, agreements, and options which would or might require the exercise of such powers, pursuant to Resolution set out in paragraph A of item 6 above be and is hereby extended by the addition to the aggregate nominal amount of share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandate, an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to Resolution set out in paragraph B of item 6 above provided that such amount shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this Resolution.”

As special business, to consider and if thought fit, pass, with or without amendments, the following resolution as a Special Resolution:

7. “**THAT** the Bye-laws of the Company be and are hereby amended in the following manner:
- (a) By deleting the words “and US\$7,000,000 divided into 70 convertible non-voting preferred shares of US\$100,000 each” in the first sentence of Bye-law 3(1);
 - (b) By deleting the second sentence of Bye-law 3(1) in its entirety;
 - (c) By deleting Bye-law 9A in its entirety;
 - (d) By deleting the words “special resolution” in Bye-law 86(4) and replacing with the words “ordinary resolution”; and
 - (e) By deleting the Schedule to the Bye-laws in its entirety.”

As **special business**, to consider and if thought fit, party with or without amendments, the following resolution as an Ordinary Resolution:

8. **“THAT** the refreshment of the total number of Shares that may be issued upon exercise of all the options (the “Share Options”) to subscribe for Shares and other options to be granted under the share option scheme of the Company adopted on 16 September 2002 or any other share option schemes of the Company or its subsidiaries, as the case may be, (the “Scheme Mandate Limit”) be and is hereby approved and confirmed and the Scheme Mandate Limit as “refreshed” shall represent a maximum of 10% of the issued share capital of the Company as at the date of the passing of this resolution, Share Options and other options previously granted under the Share Option Scheme or any other share option schemes of the Company or its subsidiaries, as the case may be (including options outstanding, cancelled, exercised or lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company or its subsidiaries, as the case may be) shall not be counted for the purposes of calculating the Scheme Mandate Limit.”

By order of the Board
Lau Man Tak
Secretary

Hong Kong
20 October 2006

Notes:

- (1) A Member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a Member of the Company. In order to be valid, the form of proxy must be deposited with the head office and principal place of business of the Company in Hong Kong at No. 7, 2nd Floor, Kingsford Industrial Centre, 13 Wang Hoi Road, Kowloon Bay, Kowloon, Hong Kong together with any power of attorney or other authority, if any, under which it is signed, or a certified copy of that power or authority, not less than 48 hours before the time for holding the meeting or adjournment thereof.
- (2) The register of Members of the Company will be closed from Tuesday, 14 November 2006 to Wednesday, 15 November 2006, both days inclusive, during which period no transfer of shares will be effected. All transfers accompanied by the relevant share certificates must be lodged with the Company’s Branch Share Registrar in Hong Kong, Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Monday, 13 November 2006.
- (3) The Directors of the Company as at the date of this notice are Messrs. Chau Lai Him, Zhou Jin Hua, Lau Man Tak and Liu Jin Rong being the Executive Directors and Messrs., Lo Kao Cheng, Lo Wai Ming and Chung Kam Kwong being the Independent Non-Executive Directors.