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



MAGICIAN INDUSTRIES (HOLDINGS) LIMITED

通達工業(集團)有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 526)

**PROPOSED ELECTION AND RE-ELECTION OF DIRECTORS
PROPOSED GRANT OF GENERAL MANDATES
TO ISSUE AND REPURCHASE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

The notice convening an annual general meeting of Magician Industries (Holdings) Limited to be held at Flat A, 2/F, Yeung Yiu Chung (No. 6) Industrial Building, 19 Cheung Shun Street, Cheung Sha Wan, Kowloon, Hong Kong on 18 September, 2008 at 10:00 a.m. is set out on pages 12 to 14 of this circular. If you are not able to attend the meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before time appointed for holding the annual general meeting.

* For identification purpose only

DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held on 18 September 2008 at 10:00 a.m. at Flat A, 2/F, Yeung Yiu Chung (No. 6) Industrial Building, 19 Cheung Shun Street, Cheung Sha Wan, Kowloon, Hong Kong
“associates”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Bye-laws”	Bye-laws of the Company
“Company”	Magician Industries (Holdings) Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	the lawful currency for the time being of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	the proposed general mandate to be granted to the Directors to allot, issue and deal with Shares with an aggregate nominal value not exceeding 20% of the share capital of the Company in issue as at the date of passing of the relevant resolution granting such mandate
“Latest Practicable Date”	19 August 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Repurchase Mandate”	the proposed general mandate to be granted to the Directors to exercise the powers of the Company to repurchase Shares of up to a maximum of 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the relevant resolution granting such mandate

DEFINITIONS

“Shareholder(s)”	the holder(s) of the Shares
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

LETTER FROM THE BOARD



MAGICIAN INDUSTRIES (HOLDINGS) LIMITED

通達工業(集團)有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 526)

Executive Director:

Mr Xu Jin (Chairman)

Non-executive Director:

Mr Lau Kin Hon

Independent Non-executive Directors:

Mr He Chengying

Mr Chan Man Sum Ivan

Mr Cheung Kiu Cho Vincent

Registered Address:

Clarendon House

Church Street

Hamilton HM11

Bermuda

Principal Office:

Flat A, 2/F, Yeung Yiu Chung

(No. 6) Industrial Building

19 Cheung Shun Street

Cheung Sha Wan

Kowloon, Hong Kong

22 August 2008

To the shareholders

Dear Sir/Madam,

**PROPOSED ELECTION AND RE-ELECTION OF DIRECTORS
PROPOSED GRANT OF GENERAL MANDATES
TO ISSUE AND REPURCHASE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to give you information regarding (i) election and re-election of directors of the Company (ii) grant of the Issue Mandate and (iii) grant of the Repurchase Mandate.

This circular contains the explanatory statement required to be given to the Shareholders in compliance with the Listing Rules and to give all the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the resolutions in the AGM.

PROPOSED ELECTION AND RE-ELECTION OF DIRECTORS

The Company received from Big Max Manufacturing Co., Limited, a substantial shareholder of the Company, nomination of Mr Li Li Xin to be elected as non-executive director of the Company. The Board also proposed to nominate Mr Cheng Jian He to be elected as executive director of the Company.

* For identification purpose only

LETTER FROM THE BOARD

According to Bye-laws 87(1) and 87(2), Mr Chan Man Sum Ivan and Mr Cheung Kiu Cho Vincent shall retire at the AGM and, being eligible, offer themselves for re-election.

Biographies of the nominated consolidates to be elected and the Directors to be re-elected at the AGM are set out in Appendix I to this circular.

GENERAL MANDATE TO ISSUE SHARES

At the AGM, an ordinary resolution will be proposed that the Directors be given a general and unconditional mandate to allot and issue further Shares representing up to 20 per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing the resolution. In addition, if the resolution for the granting of the Repurchase Mandate is passed, a resolution will be proposed to authorise the Directors to allot and issue Shares up to an amount equal to the aggregate nominal amount of the Shares purchased under the Repurchase Mandate.

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,384,918,340 Shares. Assuming that there is no change in the issued share capital of the Company between the period from the Latest Practicable Date and the date of passing the resolution approving the Issue Mandate, the maximum number of Shares which may be issued pursuant to the Issue Mandate will be 276,983,668 Shares.

GENERAL MANDATE TO REPURCHASE SHARES

At the AGM, an ordinary resolution will also be proposed that the Directors be given a general and unconditional mandate to exercise all powers of the Company to repurchase the Shares subject to the criteria set out in this circular. Under the Repurchase Mandate, the maximum number of Shares that the Company may repurchase shall not exceed such number as represents 10 per cent of the share capital of the Company in issue on the date of the passing of the resolution. The Company's authority is restricted to purchases made on the Stock Exchange and otherwise in accordance with the Listing Rules.

An explanatory statement to the Repurchase Mandate is set out in Appendix II to this circular.

RECOMMENDATION

The Directors consider that the election and re-election of the Directors, the granting of the Issue Mandate and the granting of the Repurchase Mandate are in the interest of the Company and the Shareholders and so recommend you to vote in favour of all the relevant resolutions to be proposed at the AGM.

RIGHT TO DEMAND A POLL

Bye-law 66 provides that a resolution put to the vote of a meeting shall be decided on a show of hands unless voting by way of poll is required by the Listing Rules on (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:

LETTER FROM THE BOARD

- (a) by the chairman of such meeting; or
- (b) by at least three members present in person (or in the case of a member being a corporation by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (c) by a member or members present in person (or in the case of a member being a corporation by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all members having the right to vote at the meeting; or
- (d) by a member or members present in person (or in the case of a member being a corporation by its duly authorised representative) or by proxy and holding Shares in the Company conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all Shares conferring that right; or
- (e) if required by the rules of the Designated Stock Exchange, by the chairman of the meeting and/or the Director or Directors who, individually or collectively, hold proxies in respect of shares representing five per cent or more of the total voting rights of all the members having the right to vote at the meeting.

A demand by a person as proxy for a member or in the case of a member being a corporation by its duly authorised representative shall be deemed to be the same as a demand by a member.

Bye-law 67 provides that unless a poll is duly demanded and the demand is not withdrawn, a declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or not carried by a particular majority, or lost, and an entry to that effect made in the minute book of the Company, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against the resolution.

Yours faithfully,
For and on behalf of the Board
Xu Jin
Chairman

This appendix sets out the brief biography of each of the nominated candidates to be elected and the Directors to be re-elected at the AGM of the Company.

Mr Li Li Xin, aged 40, the proposed non-executive director of the Company. Mr Li holds an Executive Master of Business Administration degree from Fudan University, and is the founder and current chairman of Lisi Group (a private group of companies established in the PRC). The principal businesses of Lisi Group include manufacturing, retail, and real property development. As regards manufacturing, the group mainly manufactures and sells plastic and hardware products and products for daily consumption. On the retail business side, the group owns a number of department stores and chain-operated supermarkets. The group also has investments in real property development in the PRC. Mr Li has 18 years of experience in the manufacture and sale of plastic and hardware products and products for daily consumption.

Mr Li is currently a committee member of National Committee of the Chinese People's Political Consultative Conference, a committee member of All-China Youth Federation (全國青聯委員), the vice chairman of the China Plastics Processing Industry Association (中國塑料加工工業協會副會長), the vice chairman of Ningbo City Industrial and Commercial Union (寧波市工商業聯合會副會長), a member of Chinese People's Political Consultative Conference of Ningbo City (寧波市政治協商會議委員), a representative of the People's Congress of Yinzhou District of Ningbo City (寧波市鄞州區人大代表), a standing committee member of the Political Consultative Conference of Yinzhou District (鄞州區政協常委), and the chairman of the Yinzhou District Federation of Industry and Commerce (鄞州區工商業聯合會會長).

Mr Li was awarded the title of model worker (勞動模範) in Ningbo City for the years 2001 to 2003. He was awarded the titles of "Outstanding Builder of Socialist Undertakings of Chinese Characteristics" (優秀中國特色社會主義事業建設者) in 2003 and 2006 and was renowned for his contribution to the "Honourable Undertakings" (光彩事業) promotional programme by the People's Government of Ningbo City.

Mr Li did not hold any other directorship in any public listed companies in the last three years.

Mr Li's appointment is for a term of two years commencing from the date of election, subject to retirement by rotation and re-election at the annual general meeting of the Company. There will not be any service contract between Mr Li and the Company and Mr Li will not be entitled to any remuneration. Mr Li is the beneficial owner of 90% of the share capital of Big-Max Manufacturing Co. Limited, a substantial shareholder of the Company holding approximately 27.2% of the Company's issued share capital. Save as disclosed, Mr Li does not have any relationship with any directors, senior management or substantial or controlling shareholder of the Company, nor does he hold any other position with the Company or any of its subsidiaries. Save as disclosed, as at the date of this announcement, Mr Li does not have any interests in the securities of the Company within the meaning of Part XV of the Securities and Futures Ordinance. There is no information to be disclosed by Mr Li pursuant to Rule 13.51(2) (h) to (v) of the Listing Rules and there is no other information that need to be brought to the attention of the shareholders.

Mr Cheng Jian He, aged 42, the proposed executive director of the Company. Mr Cheng completed the Advanced On-the-job Training Course on Business Administration Specially for Managers offered by Tsinghua University, and is a Certified Public Accountant in the PRC and a member of the Chinese Institute of Certified Public Accountants (中國註冊會計師協會). Mr Cheng has over 20 years of experience in the financial management, tax planning, cost control, investment and financing management fields in various industries, including manufacturing, business and paper mills. He is currently the chief financial officer of Lisi Group. Mr Cheng graduated from the Jiangxi University of Finance and Economics and majored in financial accounting.

Mr Cheng did not hold any other directorship in any public listed companies in the last three years.

Mr Cheng's appointment is for a term of two years commencing from election, which is subject to retirement by rotation and re-election at the annual general meeting of the Company. Mr Cheng will enter into a service contract with the Company. Mr Cheng will be entitled to such remuneration to be determined by the Board with reference to his duties and responsibilities with the Company. Save as disclosed, Mr Cheng does not have any relationship with any directors, senior management or substantial or controlling shareholder of the Company, nor does he hold any other position with the Company or any of its subsidiaries. As at the date of this announcement, Mr Cheng does not have any interests in the securities of the Company within the meaning of Part XV of the Securities and Futures Ordinance. There is no information to be disclosed by Mr Cheng pursuant to Rule 13.51(2) (h) to (v) of the Listing Rules and there is no other information that need to be brought to the attention of the shareholders.

Mr Chan Man Sum Ivan, aged 34, is a member of the American Institute of Certified Public Accountants and holds a Bachelor of Science Degree in Business Administration with emphasis on Accounting issued by California State University Los Angeles. Currently Mr Chan is working in an investment bank. Prior to his current occupation, he was a chief financial officer of a listed company. Mr Chan has over 10 years of experience in the field of investment banking, accounting and financial management. He was appointed as independent non-executive director of the Company in June 2006. Mr Chan did not hold any other directorship in any public listed companies in the last three years.

Mr Chan's appointment is for a term of two years commencing from the date of election, subject to retirement by rotation and re-election at the annual general meeting of the Company. There is a service contract between Mr Chan and the Company. Mr Chan is entitled to an annual remuneration of HK\$144,000.00 which was determined by the Board with reference to his duties and responsibilities with the Company. Mr Chan does not have any relationship with any directors, senior management or substantial or controlling shareholder of the Company, nor does he hold any other position with the Company or any of its subsidiaries. As at the date of this announcement, Mr Chan does not have any interests in the securities of the Company within the meaning of Part XV of the Securities and Futures Ordinance. There is no information to be disclosed by Mr Chan pursuant to Rule 13.51(2) (h) to (v) of the Listing Rules and there is no other information that need to be brought to the attention of the shareholders.

Mr Cheung Kiu Cho Vincent, aged 32, is a Registered Professional Surveyor in the General Practice Division and member of both The Hong Kong Institute of Surveyors and The Royal Institution of Chartered Surveyors, UK. Mr Cheung holds a Master of Business Administration degree in International Management granted by University of London in association with Royal Holloway and Bedford New College and a Bachelor of Science (Honours) degree in Real Estate granted by The Hong Kong Polytechnic University. Mr Cheung is an Associate Director of an international corporate valuation and advisory company. Mr Cheung has over 11 years of experience in the field of assets valuation, assets management and corporate advisory. He was appointed as independent non-executive director of the Company in June 2006. Mr Cheung did not hold any other directorship in any public listed companies in the last three years.

Mr Cheung's appointment is for a term of two years commencing from the date of election, subject to retirement by rotation and re-election at the annual general meeting of the Company. There is a service contract between Mr Cheung and the Company. Mr Cheung is entitled to an annual remuneration of HK\$120,000.00 which was determined by the Board with reference to his duties and responsibilities with the Company. Mr Cheung does not have any relationship with any directors, senior management or substantial or controlling shareholder of the Company, nor does he hold any other position with the Company or any of its subsidiaries. As at the date of this announcement, Mr Cheung does not have any interests in the securities of the Company within the meaning of Part XV of the Securities and Futures Ordinance. There is no information to be disclosed by Mr Cheung pursuant to Rule 13.51(2) (h) to (v) of the Listing Rules and there is no other information that need to be brought to the attention of the shareholders.

This appendix serves as an explanatory statement required under Rule 10.06(1)(b) of the Listing Rules to provide you with the information necessary for your consideration of the Repurchase Mandate.

1. SHARE CAPITAL

On the Latest Practicable Date, there were in issue an aggregate of 1,384,918,340 ordinary Shares of HK\$0.01 each in the Company.

Exercise in full of the Repurchase Mandate, on the basis that no further Shares of the Company are issued or repurchased prior to the date of the AGM, would result in up to a maximum of 138,491,834 Shares being repurchased by the Company. The Repurchase Mandate allows the Company to make or agree to make purchases only during the period ending on the earliest of the date of the next annual general meeting, the date by which the next annual general meeting of the Company is required to be held by law or by the Bye-laws (as amended from time to time) or the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

2. REASON FOR REPURCHASE SHARES

Although the Directors have no present intention of repurchasing any Shares, they consider that the Repurchase Mandate will provide the Company the flexibility to make such repurchase as and when appropriate and is beneficial to the Company. Such repurchases may enhance the Company's net asset value and/or earnings per share. The Directors would only make such purchases in circumstances whereby they consider them to be in the best interests of the Company.

As compared with the financial position of the Company at 31 March 2008 (being the date to which the latest audited financial statements of the Company have been made up), the Directors consider that there might be material adverse impact on the working capital and on the gearing position of the Company in the event that the Repurchase Mandate were exercised in full. No repurchase would be made in circumstances that would have a material adverse impact on the working capital or gearing ratio of the Company.

3. FUNDING OF REPURCHASES

Repurchase of the Shares of the Company will be funded entirely from the Company's available cash flow or working capital facilities, and will, in any event, be made out of funds legally available for the repurchase in accordance with the Bye-laws (as amended from time to time) 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 authorized share capital will not be reduced.

4. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange in each of the twelve months preceding the Latest Practicable Date respectively are as follows:

Month	Per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2007		
August	0.333	0.153
September	0.44	0.307
October	0.667	0.33
November	0.88	0.533
December	0.74	0.59
2008		
January	0.62	0.40
February	0.53	0.46
March	0.58	0.29
April	0.52	0.40
May	0.52	0.42
June	0.50	0.38
July	0.41	0.30
August (up to the Latest Practicable Date)	0.39	0.285

5. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases pursuant to the proposed resolution in accordance with the Listing Rules, all applicable laws of Bermuda, and in accordance with the regulations set out in the memorandum of association and Bye-laws (as amended from time to time).

6. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

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

No connected person of the Company (as defined in the Listing Rules) has notified the Company that he/she has a present intention to sell Shares to the Company nor has he/she undertaken not to sell any of the Shares held by him/her to the Company in the event that the Company is authorised to make repurchases of Shares.

7. EFFECT OF TAKEOVERS CODE

A repurchase of Shares by the Company may result in an increase in the proportionate interests of a substantial shareholder of the Company in the voting rights of the Company, which could give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Hong Kong Code on Takeovers and Mergers (the “Code”).

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, Mr Xu Jin (“Mr Xu”) who held approximately 18.3% of the issued share capital of the Company, Big-Max Manufacturing Co., Limited (“Big-Max”), who held approximately 27.2% and Silvermark International Limited (“Silvermark”), who held approximately 6.4% were the only substantial shareholders of the Company holding more than 5% of the issued share capital of the Company respectively. Mr Li Li Xin is the beneficial owner of 90% of the issued share capital of Big-Max. The entire issued share capital of Silvermark is beneficially owned by Ms Zhou Hui Lian. In the event that the Directors should exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the resolution, the shareholding of Mr Xu, Big-Max and Silvermark in the Company would be increased to approximately 20.4%, 30.3% and 6.7% of the issued share capital of the Company respectively. The shareholding of Big-Max would be increased from below 30% to over 30%. Such increase will trigger the Takeovers Code and Big-Max may become obliged to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors have no present intention to exercise the Repurchase Mandate to such an extent as would result in takeover obligations. Any repurchase of Shares which would result in the amount of Shares held by the public being reduced to less than 25% could only be implemented with the agreement of the Stock Exchange to waive the dealing restriction regarding the public shareholding referred to above. However, the Directors have no present intention to exercise the power to repurchase Shares to the extent that the aggregate amount of the share capital of the Company in public hands would be reduced to less than 25%.

8. SHARE REPURCHASE MADE BY THE COMPANY

In the six months preceding the Latest Practicable Date, no Shares have been repurchased by the Company (whether on the Stock Exchange or otherwise).

NOTICE OF ANNUAL GENERAL MEETING



MAGICIAN INDUSTRIES (HOLDINGS) LIMITED

通達工業（集團）有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 526)

NOTICE IS HEREBY GIVEN that the annual general meeting of the abovenamed company (the “Company”) will be held at Flat A, 2/F, Yeung Yiu Chung (No. 6) Industrial Building, 19 Cheung Shun Street, Cheung Sha Wan, Kowloon, Hong Kong on 18 September, 2008, at 10:00 a.m. for the following purposes:

1. To receive and consider the audited financial statements and the reports of the directors and auditors for the year ended 31 March 2008.
2. To elect directors and to authorise the board of directors to fix remuneration of directors.
3. To appoint auditors and to authorise the board of directors to fix their remuneration.
4. As special business, to consider and, if thought fit, pass the following resolutions as ordinary resolutions:

A. **“THAT**

- (a) subject to paragraph (c), the exercise by the directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end 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) by the directors of the Company pursuant to the approval in paragraph (a), otherwise than pursuant to a Rights Issue (as defined below) or the exercise of the subscription rights 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 this resolution and the said approval shall be limited accordingly; and

* For identification purpose only

NOTICE OF ANNUAL GENERAL MEETING

- (d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier 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 (“Bye-laws”) or any applicable laws to be held; and
- (iii) the revocation or variation of 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 of the Company to holders of shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such 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 recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

B. “THAT

- (a) the exercise by the directors of the Company during the Relevant Period (as defined below) of all powers of the Company to purchase its own shares, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period 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 this resolution and the said approval be limited accordingly; and
- (c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier 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 or any applicable laws to be held; and

NOTICE OF ANNUAL GENERAL MEETING

- (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

- C. “**THAT** conditional upon resolution no. 4B above being passed, the aggregate nominal amount of the number of shares in the capital of the Company which are repurchased by the Company under the authority granted to the directors of the Company as mentioned in resolution no. 4B above shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to resolution no. 4A above.”

By Order of the Board

Xu Jin

Chairman

Hong Kong, 22 August 2008

Principal Office:

Flat A, 2/F, Yeung Yiu Chung
(No. 6) Industrial Building
19 Cheung Shun Street
Cheung Sha Wan
Kowloon, Hong Kong

Notes:

- (1) A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint proxies to attend and vote in his stead. A proxy need not be a member of the Company. In order to be valid, the form of proxy must be deposited at the Company’s principal office at Flat A, 2/F, Yeung Yiu Chung (No.6) Industrial Building, 19 Cheung Shun Street, Cheung Sha Wan, Kowloon, Hong Kong together with a power of attorney or other authority, if any, under which it is signed or a certified copy of that power of authority, not less than 48 hours before the time for holding the meeting or adjourned meeting.