
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 you should take, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **GOOD FRIEND INTERNATIONAL HOLDINGS INC.**, you should at once hand this circular and the accompanying proxy form 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.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

GOOD FRIEND INTERNATIONAL HOLDINGS INC.

友佳國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2398)

PROPOSALS INVOLVING GENERAL MANDATES TO REPURCHASE SHARES AND TO ISSUE SHARES AND RE-ELECTION OF RETIRING DIRECTORS AND NOTICE OF ANNUAL GENERAL MEETING

A notice convening the annual general meeting of Good Friend International Holdings Inc. to be held at Amber & Pearl Room, Regus Business Centre, 21/F, ICBC Tower, Citibank Plaza, No. 3 Garden Road, Hong Kong on Monday, 8 June, 2009 at 2:00 p.m. is set out on pages 11 to 14 of this circular. Whether or not you propose to attend the meeting, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding of the meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the meeting should you so wish.

Hong Kong, 30 April, 2009

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Chairman	
Introduction	3
General mandate to Repurchase Shares	3
General mandate to Issue New Shares	4
Re-election of Retiring Directors	4
Annual General Meeting	5
Voting by way of poll	5
Action to be taken	5
Recommendation	5
Appendix I – Explanatory Statement	6
Appendix II – Details of Retiring Directors to be re-elected	9
Notice of Annual General Meeting	11

DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at Amber & Pearl Room, Regus Business Centre, 21/F, ICBC Tower, Citibank Plaza, No. 3 Garden Road, Hong Kong on Monday, 8 June, 2009 at 2:00 p.m., notice of which is set out on pages 11 to 14 of this circular
“Companies Law”	the Companies Law, Cap.22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	Good Friend International Holdings Inc., a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of The People’s Republic of China
“Latest Practicable Date”	24 April, 2009, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Repurchase Proposal”	the proposal to give a general mandate to the Directors to exercise the powers of the Company to repurchase during the period as set out in the Repurchase Resolution Shares up to a maximum of 10 percent of the issued share capital of the Company as at the date of passing the Repurchase Resolution
“Repurchase Resolution”	the proposed ordinary resolution as referred to in item 5 of the notice of the Annual General Meeting
“Share(s)”	share(s) of HK\$0.01 each in the share capital of the Company
“Share Repurchase Rules”	the relevant rules set out in the Listing Rules to regulate the repurchase by companies with primary listing on the Stock Exchange of their own securities on the Stock Exchange

DEFINITIONS

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeover Code”	the Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

LETTER FROM THE CHAIRMAN

GOOD FRIEND INTERNATIONAL HOLDINGS INC.

友佳國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2398)

Executive Directors:

CHU Chih-Yaung (*Chairman*)

CHEN Hsiang-Jung (*Chief Executive Officer*)

CHEN Min-Ho

WEN Chi-Tang

CHIU Rung-Hsien

Registered Office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Independent Non-Executive Directors:

KOO Fook Sun, Louis

CHIANG Chun-Te

YU Yu-Tang

Principal Place of Business in Hong Kong:

Room 2003, 20th Floor,

Kai Tak Commercial Building

317-319 Des Voeux Road Central

Hong Kong

Hong Kong, 30 April, 2009

To the shareholders

Dear Sir or Madam,

PROPOSALS INVOLVING GENERAL MANDATES TO REPURCHASE SHARES AND TO ISSUE SHARES AND RE-ELECTION OF RETIRING DIRECTORS AND NOTICE OF ANNUAL GENERAL MEETING

1. INTRODUCTION

The purpose of this circular is to provide you with the information regarding the proposed renewal of the general mandates to repurchase shares and to allot, issue and deal with shares as well as re-election of retiring directors and to seek your approval of the resolutions relating to these matters at the Annual General Meeting.

2. GENERAL MANDATE TO REPURCHASE SHARES

At the annual general meeting of the Company held on 23 June, 2008, a general mandate was given by the Company to the Directors to exercise the powers of the Company to repurchase Shares. Such mandate will lapse at the conclusion of the forthcoming Annual General Meeting of the Company. The Directors propose to seek your approval of the Repurchase Resolution to be proposed at the Annual General Meeting. An explanatory statement as required under the Share Repurchase Rules to provide the requisite information of the Repurchase Proposal is set out in Appendix I hereto.

LETTER FROM THE CHAIRMAN

The general mandate granted pursuant to the Repurchase Resolution shall be exercisable during the period from the passing of the Repurchase 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 laws of the Cayman Islands or the articles of association of the Company to be held; or
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting of the Company.

3. GENERAL MANDATE TO ISSUE NEW SHARES

It will also be proposed at the Annual General Meeting two ordinary resolutions (namely ordinary resolutions as referred to in items 6 and 7 of the notice of Annual General Meeting) respectively granting to the Directors a general mandate to allot, issue and deal with Shares not exceeding 20 percent of the issued share capital of the Company as at the date of passing the resolution (i.e. not exceeding 67,200,000 Shares based on the issued share capital of the Company 336,000,000 Shares as at the Latest Practicable Date and assuming that such issued share capital remains the same as at the date passing the ordinary resolution) and adding to such general mandate so granted to the Directors any Shares representing the aggregate nominal amount of the Shares repurchased by the Company after the granting of the general mandate to repurchase Shares up to 10 percent of the issued share capital of the Company as at the date of passing the Repurchase Resolution.

The mandate to allot, issue and deal with Shares shall be exercisable during the period from the passing of the ordinary 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 laws of the Cayman Islands or the articles of association of the Company to be held; or
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting of the Company.

4. RE-ELECTION OF RETIRING DIRECTORS

The Board of Directors currently consists of eight Directors, namely Messrs. Chu Chih-Yaung, Chen Hsiang-Jung, Chen Min-Ho, Wen Chi-Tang, Chiu Rung-Hsien, Koo Fook Sun, Louis, Chiang Chun-Te and Yu Yu-Tang.

Pursuant to Article 87(1) of the Articles, Messrs. Wen Chi-Tang, Chiang Chun-Te and Yu Yu-Tang shall retire by rotation from office at the Annual General Meeting and shall be eligible and offer themselves for re-election. Details of retiring Directors proposed for re-election at the Annual General Meeting are set out in Appendix II of this circular.

LETTER FROM THE CHAIRMAN

5. ANNUAL GENERAL MEETING

On pages 11 to 14 of this circular, you will find a notice convening the Annual General Meeting at which the following resolutions will be proposed:–

- an ordinary resolution to grant to the Directors a general mandate to exercise all powers of the Company to repurchase on the Stock Exchange Shares representing up to 10 percent of the issued share capital of the Company as at the date of passing the Repurchase Resolution;
- an ordinary resolution to grant to the Directors a general mandate to authorise the Directors to issue, allot and deal with Shares with an aggregate nominal value not exceeding 20 percent of the aggregate nominal amount of the issued share capital of the Company as at the date of passing such resolution; and
- an ordinary resolution to extend the general mandate which will be granted to the Directors to issue, allot and deal with additional Shares by adding to it the number of Shares repurchased under the Repurchase Proposal after the granting of the general mandate.

6. VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all votes at the Annual General Meeting will be taken by poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

7. ACTION TO BE TAKEN

A proxy form for use at the Annual General Meeting is enclosed with this circular. Whether or not you intend to attend the Annual General Meeting, you are requested to complete the proxy form and return it to branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and return of the proxy form will not prevent shareholders of the Company from attending and voting at the Annual General Meeting if they so wish.

8. RECOMMENDATION

The Directors believe that the Repurchase Proposal, the general mandate for Directors to issue new Shares and the re-election of the retiring directors are all in the best interests of the Company and its shareholders. Accordingly, the Directors recommend that all shareholders should vote in favour of the relevant resolutions as set out in the notice of Annual General Meeting.

By Order of the Board
Good Friend International Holdings Inc.
Chu Chih-Yaung
Chairman

This appendix serves as an explanatory statement, as required by the Share Repurchase Rules, to provide requisite information to you for your consideration of the proposal to permit the repurchase of Shares up to a maximum of 10% of the issued share capital of the Company as at the date of passing the Repurchase Resolution.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 336,000,000 Shares.

Subject to the passing of the Repurchase Resolution and on the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, the Company would be allowed under the Repurchase Resolution to repurchase a maximum of 33,600,000 Shares, representing not more than 10 percent of the issued share capital of the Company as at the Latest Practicable Date.

2. REASONS FOR REPURCHASE

The Directors believe that the Repurchase Proposal is in the best interests of the Company and its shareholders. Such repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets 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 its shareholders.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Directors will only apply funds legally available for such purpose in accordance with its memorandum and articles of association and the applicable laws of the Cayman Islands. The Companies Law provides that the amount of capital repaid in connection with a share repurchase may only be paid out of either the capital paid up on the relevant shares, or out of the funds of the Company otherwise available for dividend or distribution or the proceeds of a fresh issue of shares made for the purpose. The amount of premium payable on repurchase may only be paid out of either the funds of the Company that would otherwise be available for dividend or distribution or out of the share premium of the Company.

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 31 December, 2008 in the event that the power to repurchase Shares pursuant to the Repurchase Proposal were to be exercised in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the power to repurchase Shares pursuant to the Repurchase Proposal 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 Directors are from time to time appropriate for the Company.

4. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange during each of the previous twelve months before the Latest Practicable Date were as follows:–

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
April 2008	4.990	4.300
May 2008	4.700	3.900
June 2008	4.390	3.500
July 2008	3.500	2.850
August 2008	3.000	1.150
September 2008	2.500	0.790
October 2008	1.530	0.740
November 2008	1.000	0.810
December 2008	0.910	0.820
January 2009	1.000	0.880
February 2009	0.980	0.880
March 2009	0.880	0.730
April 2009 up to the Latest Practicable Date	0.980	0.780

5. UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will only exercise the powers of the Company to make repurchases pursuant to the Repurchase Proposal in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their associates (as defined in the Listing Rules), have any present intention to sell any Shares to the Company or its subsidiaries under the Repurchase Proposal if such is approved by the shareholders of the Company.

No connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company or its subsidiaries, or have undertaken not to do so, in the event that the Repurchase Proposal is approved by the shareholders of the Company.

6. TAKEOVER CODE AND GENERAL

If, on the exercise of the power to repurchase Shares pursuant to the Repurchase Proposal, 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 Takeover Code. As a result, a shareholder or group of shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeover Code.

As at the Latest Practicable Date, Good Friend (H.K.) Corporation Limited (“Hong Kong GF”), beneficially held 252,000,000 Shares representing approximately 75% of the existing issued share capital of the Company.

In the event that the Directors exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the Repurchase Proposal then (if the number of Shares as held by Hong Kong GF and the then number of total issued Shares remained the same) the attributable shareholding of Hong Kong GF in the Company would be increased to approximately 83.33% of the issued share capital of the Company. Since the interest of Hong Kong GF in the issued Shares already exceeds 50%, such increase will not give rise to any obligation to make a mandatory offer pursuant to Rule 26 of the Takeovers Code. The Company has no present intention to repurchase Shares in such a manner or to such extent as to result in the Company failing to comply with the public float requirements under Rule 8.08 of the Listing Rules.

7. SHARES REPURCHASE MADE BY THE COMPANY

The Company had not repurchased any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

The following are the particulars of the retiring Directors proposed to be re-elected at the Annual General Meeting to be held on 8 June, 2009:–

Mr. Wen Chi-Tang, aged 44, was appointed as an executive Director in December 2005. Mr. Wen was graduated from Mechanical Engineering of National Kaohsiung University of Applied Sciences. He is currently the vice general manager of machine tools division of Hangzhou Good Friend Precision Machinery Co., Ltd. and is responsible for the production and operation of this division. Mr. Wen has more than 10 years of experience in the machine tools industry. He is also a director of Hangzhou Good Friend Precision Machinery Co., Ltd., Hangzhou Global Friend Precision Machinery Co., Ltd., Hangzhou Ever Friend Precision Machinery Co., Ltd. and Hangzhou Glory Friend Machinery Technology Co., Ltd. He joined the Group in 2003. Save as disclosed above, Mr. Wen did not hold any directorship in other listed public companies in the past three years and does not hold any position of the Company and other companies within the Group.

Mr. Wen entered into a service agreement dated 11 January, 2009 with the Company for a term of 3 years commencing from 11 January, 2009 and he is subject to retirement by rotation and re-election in accordance with the Company's articles of association. He is entitled to an annual remuneration of RMB129,600. There is no agreement as to the directors' fee of Mr. Wen and his director's fee will be determined by the remuneration committee as well as the board by reference to the prevailing market conditions and subject to the shareholders' approval at the Annual General Meeting.

Mr. Wen is not related, directly or indirectly, with any director, senior member of management or principal or controlling shareholders of the Company. Mr. Wen does not have any interest in any of the Company's Shares as defined under Part XV of the Securities and Futures Commission ("SFO").

Save as disclosed above, Mr. Wen has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election and there are no other information that should be disclosed pursuant to rule 13.51(2)(h) to (v) of the Listing Rules.

Mr. Chiang Chun-Te aged 48, was appointed as an independent non-executive Director in December 2005. Mr. Chiang was graduated from Business Administration of University of the Witwatersrand. Mr. Chiang is the 14th Representative of the Delegates Committee of the Importers and Exporters Association of Taipei (台北市進出口商業同業公會會員代表大會代表) and the director of 特力和樂股份有限公司 (HOLA Home Furnishings Co., Ltd.). He is also the director of 文華國際花苑有限公司 (Mandarin Florist Co.), 首席創業投資股份有限公司 (Premier Venture Capital Corp.), 首席財務管理顧問股份有限公司 (Premier Capital Management), 毅金科技股份有限公司 (Yin King Industrial Co., Ltd.) and the chairman and general manager of 德鎂實業股份有限公司 (Istra Corp.). Save as disclosed above, Mr. Chiang did not hold any directorship in other listed public companies in the past three years. Mr. Chiang is a member of audit committee, remuneration committee and nomination committee. Save as disclosed above, he does not hold any position of the Company and other companies within the Group.

Mr. Chiang is appointed for a term 2 years until 9 January, 2010 and subject to retirement and re-election provisions in the articles of association. He is entitled to have a director fee of not less than HK\$100,000 per annum which is subject to approval of the remuneration committee as well as the board by reference to the prevailing market conditions and the approval of shareholders at the Annual General Meeting.

Mr. Chiang is not related, directly or indirectly, with any director, senior member of management or principal or controlling shareholders of the Company. Mr. Chiang does not have any interest in any of the Company's Shares as defined under Part XV of the SFO.

Save as disclosed above, Mr. Chiang has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election and there are no other information that should be disclosed pursuant to rule 13.51(2)(h) to (v) of the Listing Rules.

Mr. Yu Yu-Tang, aged 72, was appointed as an independent non-executive Director in December 2005. Mr. Yu was graduated from Central Police University of the Department of Criminal Investigation. He was appointed as a provincial government consultant of the Taiwan Hsin Chu County Government (台灣新竹縣政府) in May 2004. Save as disclosed above, Mr. Yu did not hold any directorship in other listed public companies in the past three years. Mr. Yu is a member of audit committee. Save as disclosed above, he does not hold any position of the Company and other companies within the Group.

Mr. Yu is appointed for a term 2 years until 9 January, 2010 and subject to retirement and re-election provisions in the articles of association. He is entitled to have a director fee of not less than HK\$100,000 per annum which is subject to approval of the remuneration committee as well as the board by reference to the prevailing market conditions and the approval of shareholders at the Annual General Meeting.

Mr. Yu is not related, directly or indirectly, with any director, senior member of management or principal or controlling shareholders of the Company. Mr. Yu does not have any interest in any of the Company's Shares as defined under Part XV of the SFO.

Save as disclosed above, Mr. Yu has confirmed that there are no other matters that need to be brought to the attention of the Shareholders in connection with his re-election and there are no other information that should be disclosed pursuant to rule 13.51(2)(h) to (v) of the Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING

GOOD FRIEND INTERNATIONAL HOLDINGS INC.

友佳國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2398)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an annual general meeting of Good Friend International Holdings Inc. (“the Company”) will be held at Amber & Pearl Room, Regus Business Centre, 21/F, ICBC Tower, Citibank Plaza, No. 3 Garden Road, Hong Kong on Monday, 8 June, 2009 at 2:00 p.m. for the following purposes:–

1. To receive and consider the audited financial statements and the report of the directors and independent auditor’s report for the year ended 31 December, 2008.
2. To declare a final dividend.
3. To re-elect the directors and authorise the board of directors to fix remuneration of directors.
4. To re-appoint Deloitte Touche Tohmatsu as auditors and authorise the board of directors to fix their remuneration.
5. As special business, to consider and, if thought fit, pass with or without modification, the following resolution as an ordinary resolution of the Company:–

ORDINARY RESOLUTION

“**THAT:**–

- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of HK\$0.01 each in the capital of the Company on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) or on any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or 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 the shares of the Company which the directors of the Company is authorised to repurchase pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this Resolution and the said approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

- (c) for the purposes 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 laws of the Cayman Islands or the articles of association of the Company to be held; or
 - (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting of the Company.”
- 6. As special business, to consider and, if thought fit, pass with or without modification, the following resolution as an ordinary resolution of the Company:–

ORDINARY RESOLUTION

“**THAT:**–

- (a) subject to paragraph (c) below, the exercise by the directors of the Company 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 and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such powers be and are hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorize the directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such powers 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) and issued by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than (i) pursuant to a Rights Issue (as hereinafter defined); (ii) an issue of shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; or (iii) pursuant to an issue of shares as scrip dividends pursuant to the articles of association of the Company from time to time, shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this Resolution, and the said approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

- (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 laws of the Cayman Islands or the articles of association of the Company to be held; or
 - (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting of the Company; and

“Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to the holders of shares of the Company on the register 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 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 applicable to the Company).”

7. As special business, to consider and, if thought fit, pass with or without modification, the following resolution as an ordinary resolution of the Company:–

ORDINARY RESOLUTION

“**THAT** subject to the passing of the Resolutions in items 5 and 6 of the notice convening this meeting, the general mandate granted to the directors of the Company to allot, issue and deal with additional shares pursuant to the Resolution in item 6 of the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of shares in the capital of the Company repurchased by the Company under the authority granted pursuant to the Resolution in item 5 of the notice convening this meeting, provided that such amount of shares so repurchased shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the said Resolution in item 5 of the notice convening this meeting.”

By Order of the Board
LO Tai On
Secretary

Hong Kong, 30 April, 2009.

NOTICE OF ANNUAL GENERAL MEETING

Notes:—

1. A member of the Company entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or, if he holds two or more shares, more 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 Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, 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 or authority, not less than 48 hours before the time for holding the meeting or adjourned meeting.
2. Completion and return of the form of proxy will not preclude members from attending and voting in person at the annual general meeting or any adjournment.
3. In the case of joint holders of shares in the Company, the vote of the senior who tenders a vote whether in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holders, seniority being determined by the order in which names stand in the register of members.
4. The register of members of the Company will be closed from Wednesday 3 June 2009 to Monday, 8 June 2009, both days inclusive, during which period no transfers of shares shall be effected. In order to qualify for the proposed final dividend and attending and voting at the forthcoming annual general meeting, all transfers of shares accompanied by the relevant share certificates and transfer forms, must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 2 June 2009.
5. With regard to item no. 3 in this notice, the board of directors of the Company proposes that the retiring directors, namely Messrs. Wen Chi-Tang, Chiang Chun-Te and Yu Yu-Tang be re-elected as directors of the Company. Details of the above retiring directors are set out in the appendix II of the circular to shareholders dated 30 April, 2009.
6. As at the date of this notice, the board of directors of the Company comprises Mr. Chu Chih-Yaung, Mr. Chen Hsiang-Jung, Mr. Chen Min-Ho, Mr. Wen Chi-Tang, Mr. Chiu Rung-Hsien, all being the executive directors and Mr. Koo Fook Sun, Louis, Mr. Chiang Chun-Te and Mr. Yu Yu-Tang, all being the independent non-executive directors.