
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a 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 Tongda Group 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 or stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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TONGDA GROUP HOLDINGS LIMITED

通達集團控股有限公司*

(Incorporated in Cayman Islands with Limited Liability)

(Stock code: 698)

**NOTICE OF ANNUAL GENERAL MEETING;
PROPOSED GRANT OF GENERAL MANDATES
TO ALLOT AND ISSUE NEW SHARES AND
REPURCHASE BY THE COMPANY OF ITS OWN SHARES
AND PROPOSED RE-ELECTION OF DIRECTORS**

A notice convening an annual general meeting of Tongda Group Holdings Limited (the "Company") to be held at the Board Room of Dynasty Club, at 7th Floor of South West Tower, Convention Plaza, No. 1 Harbour Road, Wanchai, Hong Kong on Tuesday, 3rd June, 2008 at 11:00 a.m. is set out on pages 1 to 4 of this circular which was despatched to shareholders of the Company on 30th April, 2008. Whether or not you are able to attend the meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the annual general meeting to the Company's branch share registrars in Hong Kong, Union Registrars Limited, at Room 1901-02, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting at the annual general meeting should you so wish.

* For identification purpose only

30th April, 2008

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NOTICE OF ANNUAL GENERAL MEETING



TONGDA GROUP HOLDINGS LIMITED

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of Tongda Group Holdings Limited (the “Company”) will be held at the Board Room of Dynasty Club, at 7th Floor of South West Tower, Convention Plaza, No. 1 Harbour Road, Wanchai, Hong Kong on Tuesday, 3rd June, 2008 at 11:00 a.m. to consider and, if thought fit, pass the following resolutions:

1. To receive and consider the audited consolidated financial statements and the reports of the directors (the “Directors”) and of the auditors of the Company for the year ended 31st December, 2007;
2. To re-elect Directors and to authorise the board of Directors (the “Board”) to fix their remuneration;
3. To re-appoint the Company’s auditors and to authorise the Board to fix their remuneration;
4. To declare a final dividend;

AS SPECIAL BUSINESS

5. To consider and, if thought fit, pass, with or without amendments, the following resolutions as ordinary resolutions:
 - (A) “**THAT:**
 - (a) subject to paragraph (c) of this resolution, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), 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 unissued share(s) of HK\$0.01 each in the capital of the Company and to make or grant offers, agreements and options (including warrants) which might require the exercise of such power be and is hereby generally and unconditionally approved;
 - (b) the approval in paragraph (a) of this resolution shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options (including warrants) which might require the exercise of such power after the end of the Relevant Period;

* For identification purpose only

NOTICE OF ANNUAL GENERAL MEETING

(c) the aggregate nominal value of share capital to be allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and to be issued by the Directors of the Company pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined), or (ii) an issue of shares upon the exercise of the subscription rights attaching to any warrants which may be issued by the Company from time to time, or (iii) an issue of shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to employees (including executive Directors) of the Company and/or any of its subsidiaries of shares or rights to acquire shares in the capital of the Company, or (iv) any scrip dividend scheme or similar arrangement providing for the allotment and issue of shares in lieu of the whole or part of a dividend on shares in accordance with the Articles of Association of the Company, shall not be the aggregate of (i) 20 per cent. of the aggregate nominal value of the share capital of the Company in issue on the date of passing this resolution and (ii) (if the directors of the Company are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal value of any share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the aggregate nominal value of the share capital of the Company in issue on the date of the passing of this resolution); and the said approval shall be limited accordingly 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; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company (the “Articles of Association”) or the Companies Law of the Cayman Islands or any other applicable laws of the Cayman Islands to be held; or
- (iii) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking or varying the authority given to the Directors of the Company by this resolution; and

NOTICE OF ANNUAL GENERAL MEETING

“Rights Issue” means an offer of shares or issue of options to subscribe for shares of the Company open for a period fixed by the Directors of the Company to holders of shares 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 (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 applicable to the Company).”

(B) **“THAT:**

- (a) subject to paragraph (b) and (c) of this resolution, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all powers of the Company to purchase securities of the Company on the Stock Exchange or on any other stock exchange on which the securities of the Company may be listed and is recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal value of shares of the Company to be repurchased by the Company pursuant to paragraph (a) of this resolution during the Relevant Period shall not exceed 10% of the aggregate nominal value of the share capital of the Company in issue as at the date of passing this resolution, and the authority pursuant to paragraph (a) of this resolution shall 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 earliest of:
 - (i) the conclusion of the next annual general meeting of the Company; or
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or the Companies Law of the Cayman Islands or any other applicable laws of the Cayman Islands to be held; or
 - (iii) the passing of an ordinary resolution by shareholders of the Company in general meeting revoking or varying the authority given to the Directors of the Company by this resolution.”

NOTICE OF ANNUAL GENERAL MEETING

- (C) “**THAT** conditional upon resolution nos. 5(A) and 5(B) as set out in the notice convening this meeting being passed, the general mandate granted to the Directors of the Company and for the time being in force to exercise the powers of the Company to allot, issue and deal with unissued shares pursuant to Resolution No. 5(A) as set out in the notice convening this meeting be and is hereby extended by the addition to the aggregate nominal value of the share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company pursuant to such general mandate of an amount representing the aggregate nominal value of the share capital of the Company repurchased by the Company under the authority granted pursuant to resolution No. 5(B) as set out in the notice convening this meeting, provided that such extended amount shall not exceed 10% of the aggregate nominal value of the share capital of the Company in issue as at the date of passing this resolution.”

By Order of the Board
Tongda Group Holdings Limited
Ko Chun Hay Kelvin
Company Secretary

Hong Kong, 30th April, 2008

Notes:

1. A member entitled to attend and vote at the annual general meeting by the above notice is entitled to appoint one or more proxy to attend and subject to the provisions of the articles of association of the Company, to vote on his behalf. A proxy need not be a member of the Company.
2. To be valid, the instrument appointing a proxy together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the Company's branch share registrars in Hong Kong, Union Registrars Limited, at Room 1901-02, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the above meeting.
3. The register of members of the Company will be closed from 27th May, 2008 to 2nd June, 2008, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for receiving the final dividend and attending the forthcoming annual general meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Union Registrars Limited, at Room 1901-02, Fook Lee Commercial centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong for registration not later than 4:00 p.m. on 26th May, 2008.
4. An explanatory statement regarding resolution Nos. 5(A), 5(B) and 5(C) above containing the information necessary to enable shareholders to make an informed decision as to whether to vote for or against the resolutions will be set out in the following sections of this circular.
5. Under the Company's articles of association, Messrs Wang Ya Nan, Wang Ya Hua and Ting Leung Huel, Stephen will retire from their office of Directors upon conclusion of the annual general meeting. The said Directors being eligible offer themselves for re-election.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company and its subsidiaries. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be convened and held on Tuesday, 3rd June, 2008 at 11:00 a.m. at the Board Room of Dynasty Club at 7th Floor of South West Tower, Convention Plaza, No. 1 Harbour Road, Wanchai, Hong Kong, the notice of which is set out on pages 1 to 4 of this circular
“Articles”	the articles of association of the Company adopted pursuant to a written resolution passed by all shareholders of the Company on 7th December, 2000 and as amended from time to time
“associate(s)”	has the meaning described thereto under the Listing Rules
“Board”	the board of Directors
“Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Companies Ordinance”	the Companies Ordinance, Chapter 32 of the Laws of Hong Kong
“Company”	Tongda Group Holdings Limited, a company incorporated in Cayman Islands with limited liability, the issued Shares of which are listed on the Stock Exchange
“connected person”	has the same meaning as defined in the Listing Rules
“Director(s)”	the director(s) 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”	25th April, 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
“Share(s)”	share(s) of HK\$0.01 each in the share capital of the Company

DEFINITIONS

“Share Option Scheme”	the share option scheme of the Company adopted pursuant to an ordinary resolution of the Company passed on 10th June, 2002
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD

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TONGDA GROUP HOLDINGS LIMITED

通達集團控股有限公司*

(Incorporated in Cayman Islands with Limited Liability)

(Stock code: 698)

Directors:

Mr. Wang Ya Nan (*Chairman*)

Mr. Wang Ya Hua (*Executive*)

Mr. Wong Ah Yu (*Executive*)

Mr. Wong Ah Yeung (*Executive*)

Mr. Choi Wai Sang (*Executive*)

Mr. Wang Ming Che (*Executive*)

Mr. Ting Leung Huel, Stephen
(*Independent Non-Executive*)

Mr. Cheung Wah Fung, Christopher, JP
(*Independent Non-Executive*)

Dr. Yu Sun Say, SBS, GBS, JP
(*Independent Non-Executive*)

Registered office:

Century Yard

Cricket Square

Hutchins Drive

P.O. Box 2681 GT

George Town

Grand Cayman

Cayman Islands

*Principal place of business
in Hong Kong:*

Room 1201-03, 12th Floor

Shui On Centre

6-8 Harbour Road

Wanchai

Hong Kong

25th April, 2008

To the Shareholders

Dear Sir or Madam,

**PROPOSED GRANT OF GENERAL MANDATES;
TO ALLOT AND ISSUE NEW SHARES AND;
REPURCHASE BY THE COMPANY OF ITS OWN SHARES
AND PROPOSED RE-ELECTION OF DIRECTORS**

INTRODUCTION

The purpose of this circular is to give you information regarding the ordinary resolutions to repurchase Shares, to allot and issue new Shares and to seek your approval of the resolutions in relation thereto to be proposed at the Annual General Meeting.

* For identification purpose only

LETTER FROM THE BOARD

Three respective ordinary resolutions will be proposed at the Annual General Meeting to enable the Directors to exercise the powers of the Company (i) to make repurchases on the Stock Exchange of the Company's fully paid up Shares representing up to a maximum of 10% of the existing issued share capital of the Company (ii) to allot and issue new Shares up to 20% of the issued share capital of the Company, and (iii) to increase the number of Shares which the Directors may issue under the general mandate by the number of Shares repurchased under the repurchase mandate. One ordinary resolution will be proposed at the Annual General Meeting to re-elect the retired directors.

Under the Listing Rules, the Company is required to provide you with information reasonably necessary to enable you to make an informed decision as to whether to vote for or against the resolutions to be proposed at the Annual General Meeting. This circular is prepared for such purpose.

EXPLANATORY STATEMENT ON REPURCHASE MANDATE

The explanatory statement as required under the Listing Rules to provide the requisite information to you for consideration of the proposed grant of the repurchase mandate is set out below:

LISTING RULES RELATING TO THE REPURCHASE OF SHARES

The Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their shares on the Stock Exchange subject to certain restrictions, the most important of which are summaries below. The Company is empowered by its memorandum and Articles and the Companies Ordinance to repurchase its own Shares.

(a) Shareholders' approval

The Listing Rules provide that all on-market shares repurchases by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of a general mandate or by specific approval with reference to a specific transaction.

(b) Source of funds

Repurchases must be funded out of funds which are legally available for the purpose in accordance with the Company's memorandum and Articles and the Companies Ordinance. Any repurchases by the Company may only be made out of the profits of the Company or out of the proceeds of a fresh issue of shares made for the purpose of the repurchase or, if authorised by the Articles and subject to the Companies Ordinance, out of capital and, in the case of any premium payable on the repurchase, out of the profits of the Company or out of the share premium account of the Company, if authorised by the Articles and subject to the Companies Ordinance.

(c) Maximum number of shares to be purchased and subsequent issues

A maximum of 10% of fully-paid issued share capital of the Company at the date of passing the relevant resolution at the Annual General Meeting may be repurchased by the Company on the Stock Exchange.

LETTER FROM THE BOARD

GENERAL MANDATES TO BE GRANTED TO DIRECTORS TO MAKE ON-MARKET REPURCHASES OF SHARES AND TO ALLOT AND ISSUE NEW SHARES

At the 2006 annual general meeting of the Company held on 1st June, 2007, the Directors were granted a general mandate to allot, issue and deal with Shares in the capital of the Company and a general mandate to repurchase Shares on the Stock Exchange. These mandates will expire at the conclusion of the forthcoming Annual General Meeting. To facilitate future allotment and issue of Shares by the Directors on behalf of the Company, the Director will seek the approval of the Shareholders for the grant of the general mandate and the repurchase mandate as provided under resolutions 5(A) to 5(C) in the notice of the Annual General Meeting.

Ordinary resolution 5(A) contained in the notice of the Annual General Meeting relates to the granting of a general mandate to the Directors to allot and issue new Shares up to a maximum of 20% of the issued share capital of the Company at the date of passing of the resolution. The authority conferred on the Directors by this mandate will continue in force until the conclusion of the next annual general meeting of the Company, or any earlier date as referred to in paragraph (d) of the ordinary resolution 5(A). In addition, subject to the approval by the Shareholders of the ordinary resolution 5(C) contained in the notice of the Annual General Meeting, the number of Shares purchased by the Company under the repurchase mandate will also be added to the 20% general mandate as mentioned above. The Directors have no immediate plan to allot and issue any new Shares other than such Shares which may fall to be issued upon the exercise of any options granted under the Share Option Scheme.

Ordinary resolution 5(B) contained in the notice of the Annual General Meeting relates to the granting of a buy back mandate to the Directors to repurchase, on the Stock Exchange, Shares of the company up to a maximum of 10% of the issued share capital of the Company as at the date of the passing of the resolution. The authority conferred on the Directors by this mandate will continue in force until the conclusion of the next annual general meeting of the Company, or any earlier date as referred to in paragraph (c) of ordinary resolution 5(B).

Ordinary resolution 5(C) contained in the notice of the Annual General Meeting relates to the extension of the general mandate to be granted to the Directors to allot and issue new Shares during the relevant period by adding to it the aggregate nominal amount of Shares (if any) purchased under the repurchase mandate. The authority conferred on the Directors by this mandate will continue in force until the conclusion of the next Annual General Meeting of the Company, or any earlier date as referred to in paragraph (d) of ordinary resolution 5(A).

REASONS FOR SHARE REPURCHASES

Although the Directors have no present intention of repurchasing any Shares, they believe that the flexibility afforded by the repurchase mandate would be in the best interests of the Company and its Shareholders. At any time in the future when Shares are trading at a discount to their underlying value, the ability of the Company to repurchase Shares will be beneficial to those Shareholders who retain their investment in the Company since their attributable percentage interest in the Shares of the Company would increase in proportion to the number of Shares repurchased by the Company. The Directors will only make such repurchases in circumstances where they consider to be beneficial to the Company and its Shareholders.

LETTER FROM THE BOARD

SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 3,989,800,000 Shares.

Subject to the passing of ordinary resolution 5(B), the Company would be allowed under the repurchase mandate to repurchase a maximum of 398,980,000 Shares, i.e. 10% of the total issued shares as at the date of passing of the resolutions, on the basis that no Shares would be issued or repurchased prior to the date of the Annual General Meeting.

Subject to the passing of ordinary resolution 5(A), the Company would be allowed under the mandate to issue a maximum of 797,960,000 Shares, i.e. 20% of the total issued shares as at the date of passing of the resolutions, on the basis that no Shares would be issued or repurchased prior to the date of the Annual General Meeting.

FUNDING OF REPURCHASES

The Directors propose that repurchases of Shares under the repurchase mandate in these circumstances would be financed from the Company's internal resources or working capital facilities.

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the memorandum and Articles and the applicable laws of the Cayman Islands.

Taking into account the current working capital position of the Company, there may be a material adverse impact on the working capital or gearing position of the Company in the event that the repurchase mandate is 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 that would have a material adverse impact 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.

LETTER FROM THE BOARD

MARKET PRICES

The highest and lowest closing prices at which Shares have been traded on the Stock Exchange in each of the previous 12 calendar months and up to the Latest Practicable Date were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2007		
April	0.620	0.520
May	0.700	0.500
June	0.750	0.550
July	0.610	0.530
August	0.570	0.390
September	0.500	0.395
October	0.480	0.375
November	0.420	0.315
December	0.410	0.290
2008		
January	0.390	0.290
February	0.335	0.305
March	0.330	0.211
April (up to the Latest Practicable Date)	0.280	0.222

DISCLOSURE OF INTERESTS

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases under the repurchase mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

If as a result of a share repurchase, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code and if such increase results in a change of control, may in certain circumstances give rise to an obligation to make a mandatory offer for Shares under Rule 26 of the Takeovers Code.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the following persons were interested in 10% or more of the issued share capital of the Company as recorded in the register of interests kept by the Company under the Securities (Disclosure of Interests) Ordinance (Chapter 396 of the Laws of Hong Kong) with the following number of Shares:

Name	Notes	Number of Shares	Percentage of total number of Shares	Percentage of total number of Shares (assuming the repurchase mandate is exercised in full)
Landmark Worldwide Holdings Limited	1	1,994,750,000	49.99	55.55
Value Partners Limited	2	362,820,000	9.09%	10.10

Notes:

1. The entire issued share capital of Landmark Worldwide Holdings Limited is held and beneficially owned as to 25% by each of Messrs Wang Ya Nan, Wang Ya Hua, Wong Ah Yu and Wong Ah Yeung.
2. The issued share capital of Value Partners Limited is held and beneficially owned as to 35.65% by Mr. Cheah Cheng Hye.

On the basis of the shareholding held by the shareholders named above, if the repurchase mandate is exercised in full (and assuming that the issued share capital of the Company remains unchanged up to the date of the forthcoming Annual General Meeting), increase in percentage of shareholdings of Landmark Worldwide Holdings Limited will give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

Save as disclose above, the Directors are currently not aware of any consequences which will arise under the Takeovers Code as a result of any purchase made under the repurchase mandate.

The Directors do not propose or intend to repurchase shares which could result in mandatory offer under the Takeovers Code and less than the prescribed minimum percentage of shares held in public hands (i.e. 25%). The Stock Exchange has stated that if less than 25% of the issued share capital of the Company are held in the public hands, or if the Stock Exchange believes that a false market exists or may exist in the trading of the shares or that there are insufficient shares held in the public hands to maintain an orderly market, it will consider exercising its discretion to suspend the dealing in the shares.

None of the Directors, to the best of their knowledge having made all reasonable enquiries, or any of their respective associates, presently intends to sell Shares to the Company in the event that the repurchase mandate is approved by the Shareholders.

LETTER FROM THE BOARD

The Company has not been notified by any connected persons of the Company that they have a present intention to sell any Shares, nor they have undertaken not to sell any Shares held by them to the Company in the event that the repurchase mandate is approved by the Shareholders.

SHARE PURCHASES MADE BY THE COMPANY

As at the Latest Practicable Date, the Company purchase of Share in the Stock Exchange in the previous six months are listed as follows:

Date of Purchase	Price per Share	Quantity of Share
18 December 2007	0.322	740,000
19 December 2007	0.323	2,550,000
20 December 2007	0.320	560,000
21 December 2007	0.340	4,190,000
24 December 2007	0.364	2,800,000
27 December 2007	0.391	4,500,000
28 December 2007	0.398	3,690,000
2 January 2008	0.370	370,000
3 January 2008	0.370	440,000
7 January 2008	0.360	30,000
8 January 2008	0.375	1,370,000
9 January 2008	0.360	500,000
10 January 2008	0.374	1,800,000
24 January 2008	0.315	550,000
25 January 2008	0.326	190,000
28 January 2008	0.326	1,180,000
29 January 2008	0.330	400,000
30 January 2008	0.320	500,000
31 January 2008	0.310	470,000
1 February 2008	0.319	1,870,000
Total number of share purchased		<u>28,700,000</u>

ACTIONS TO BE TAKEN

A form of proxy for use at the Annual General Meeting is enclosed with this circular. To be valid, the instrument appointing a proxy together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the Company's branch share registrars in Hong Kong, Union Registrars Limited, at Room 1901-1902, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the above meeting. Completion and delivery of the form of proxy will not prevent you from attending and voting at the Annual General Meeting.

LETTER FROM THE BOARD

RE-ELECTION OF DIRECTORS

At the Annual General Meeting, Messrs Wang Ya Nan, Wang Ya Hua and Ting Leung Huel, Stephen will retire from office by rotation in accordance with article 108(A) of the Articles and will offer themselves for re-election to serve for another term. Details of the Directors proposed to be re-elected at the Annual General Meeting are set out below:

Mr. Wang Ya Nan, aged 50, is an executive Director and the chairman and CEO of the Group. He is responsible for the overall strategic planning and business development of the Group. He is also responsible for the development of overseas markets. He joined the Group in December 1988 and has over 20 years of experience in the electronics and electrical industry. He is a brother of Messrs. Wong Ah Yeung, Wong Ah Yu and Wang Ya Hua. Save as disclosed above, Mr. Wang does not hold any other directorships in listed public companies in the last three years and other major appointments and qualifications.

Mr. Wang is one of the founder of the Group and is the major shareholder of the Group, through the shareholding interest in Landmark Worldwide Holdings Limited, the ultimate holding company of the Company. As at the Latest Practicable Date, Mr. Wang and Landmark Worldwide Holdings Limited has indirectly and directly held about 51.46% of the Company's issued share capital respectively. Mr. Wang is directly interested in 34,920,000 Shares and is also directly interested in 23,500,000 Shares to be allotted and issued upon the exercise of the share options grant to Mr. Wang under the share option scheme of the Company. Save as disclosed above, Mr. Wang does not have any interest in the Shares within the meaning of Part XV of the SFO.

Mr. Wang has a service contract with the Company with an initial term of 3 years and renewable automatically for successive term of one year, subject to retirement by rotation and re-election by the shareholders of the Company pursuant to the articles of association of the Company. The director's emolument specified in his service contract is HK\$1,230,000 per annum. The basis of determining Mr. Wang said emolument is by reference to the market benchmark of emoluments and his performance with the Company.

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

Mr. Wang Ya Hua, aged 52, is an executive Director, the vice chairman and the general manager of the Group. He is responsible for the overall management of the Group with special focus on product development preparation and monitoring of annual production plans and operating budget. He is also required to give direction of the day-to-day operations unit of the Group in Xiamen. He joined the Group in December 1988 and has over 20 years of experience in the electronics and electrical industry. He is a brother of Messrs. Wong Ah Yeung, Wong Ah Yu and Wang Ya Nan. Save as disclosed above, Mr. Wang does not hold any other directorships in listed public companies in the last three years and other major appointments and qualifications.

LETTER FROM THE BOARD

Mr. Wang is one of the founder of the Group and is the major shareholder of the Group, through the shareholding interest in Landmark Worldwide Holdings Limited, the ultimate holding company of the Company. As at the Latest Practicable Date, Mr. Wang and Landmark Worldwide Holdings Limited has indirectly and directly held about 51.08% of the Company's issued share capital respectively. Mr. Wang is directly interested in 19,920,000 Shares and is also directly interested in 23,500,000 Shares to be allotted and issued upon the exercise of the share options grant to Mr. Wang under the share option scheme of the Company. Save as disclosed above, Mr. Wang does not have any interest in the Shares within the meaning of Part XV of the SFO.

Mr. Wang has a service contract with the Company with an initial term of 3 years and renewable automatically for successive term of one year, subject to retirement by rotation and re-election by the shareholders of the Company pursuant to the articles of association of the Company. The director's emolument specified in his service contract is HK\$990,000 per annum. The basis of determining Mr. Wang said emolument is by reference to the market benchmark of emoluments and his performance with the Company.

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

Mr. Ting Leung Huel, Stephen MH, FCCA, FCPA (PRACTISING), ACA, FTIHK, FHKIoD, aged 54, is an independent non-executive Director. Mr. Ting is an accountant in public practice as managing partner of Ting Ho Kwan & Chan, Certified Public Accountants since 1987. Mr. Ting is a member of the 9th & 10th Chinese People's Political & Consultative Conference, Fujian. He is now a non-executive director of Chow Sang Sang (Holdings) International Limited and an independent non-executive director of six listed companies, namely, JLF Investment Company Limited, Minmetals Resources Limited, Tong Ren Tang Technologies Company Limited, Computer and Technologies Holdings Limited, Texhong Textile Group Limited and Dongyue Group Limited.

Mr. Ting was appointed as an independent non-executive director of the Company in December 2000. Apart from being an independent non-executive director of the Company. Mr. Ting does not hold any position with the Company or other members, of the Company's Group.

Mr. Ting does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company.

Mr. Ting is directly interested in 4,000,000 Shares to be allotted and issued upon the exercise of the share options grant to Mr. Ting under the share option scheme of the Company. Save as disclosed above, Mr. Ting does not have any interest in the Shares within the meaning of Part XV of the SFO.

Mr. Ting has a service contract with the Company with an initial term of 3 years and renewable automatically for successive term of one year, subject to retirement by rotation and re-election by the

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shareholders of the Company pursuant to the articles of association of the Company. The director's emolument specified in his service contract is HK\$150,000 per annum. The basis of determining Mr. Ting's said emolument is by reference to the market benchmark of emoluments normally paid by other listed public companies in Hong Kong to their independent non-executive directors.

In relation to the re-election of Mr. Ting as an independent non-executive Director, there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under Rule 13.51(2) of the Listing Rules, in particular, Rule 13.51(2)(h) to (v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the shareholders of the Company.

RECOMMENDATION

The Directors have presently no intention to issue new Shares for the Company. The Directors believe that an exercise of the general mandate will enable the Company to take advantage of market conditions to raise additional capital for the Company.

The repurchase mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such repurchases of Shares will benefit the Company and the Shareholders.

An exercise of the repurchase mandate in full could have a material adverse impact on the working capital and gearing position of the Company compared with that as at 31st December, 2007, being the date of its latest audited consolidated accounts. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.

The Directors believe that the general mandate to issue Shares and the repurchase mandate are beneficial to the Company and the Shareholders as a whole and accordingly recommend that all Shareholders should vote in favour of ordinary resolutions 5(A), 5(B) and 5(C) to be proposed at the Annual General Meeting.

The ordinary resolution in relation to the re-election of directors is proposed for the purpose of complying with the Articles. Accordingly, the Directors recommend Shareholders to vote in favor of the ordinary resolutions.

PROCEDURE FOR DEMANDING A POLL

Under the Company's articles of association, at any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:

- (i) by the chairman of the meeting; or

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- (ii) by at least three shareholders present in person (or, in the case of a shareholder being a corporation, by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (iii) by any shareholder or shareholders present in person (or, in the case of a shareholder 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 the shareholders having the right to vote at the meeting; or
- (iv) by any shareholder or shareholders present in person (or, in the case of a shareholder 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 the shares conferring that right.

In addition, under the Listing Rules, if the chairman of the meeting and/or the Directors individually or collectively hold(s) proxies in respect of Shares holding 5% or more of the total voting rights of the Company at the Annual General Meeting, and if the votes cast at the Annual General Meeting on a show of hands are in the opposite manner to that instructed in those proxies, then the chairman shall demand a poll. However, if it is apparent from the total proxies held that a vote taken on a poll will not reverse the vote taken on a show of hands, then the chairman shall not be required to demand a poll.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the memorandum of the Company and the Articles will be available for inspection at the head office and principal place of business in Hong Kong of the Company at Room 1201-03, 12/F, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong during normal business hours on any business day from the date hereof up to and including the date of the Annual General Meeting.

Yours faithfully,
WANG YA NAN
Chairman