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

If you have sold all your shares in IDT International Limited, you should at once hand this circular to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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**IDT INTERNATIONAL LIMITED**

(Incorporated in Bermuda with limited liability)

(stock code: 167)

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

A notice convening an annual general meeting of IDT International Limited to be held at Victoria Room, 1/F., The Royal Garden, 69 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Thursday, August 28, 2008 at 2:30 p.m. is set out on pages 10 to 13 of this circular. Whether or not you are able to attend the annual general meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's principal place of business at Block C, 9th Floor, Kaiser Estate Phase 1, 41 Man Yue Street, Hunghom, Kowloon, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the annual general meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof, should you so wish.

July 29, 2008

DEFINITIONS

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

“2008 AGM”	the annual general meeting of the Company to be held at Victoria Room, 1/F., The Royal Garden, 69 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Thursday, August 28, 2008 at 2:30 p.m. notice of which is set out on pages 10 to 13 of this circular
“Company”	IDT International Limited, a limited company incorporated in Bermuda with its shares listed on the Stock Exchange
“Board”	the board of Directors of the Company
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Latest Practicable Date”	July 24, 2008, being the latest practicable date prior to the printing of this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Option(s)”	Share option(s) to subscribe for Shares granted pursuant to the share option schemes adopted by the Company
“Repurchase Mandate”	a general mandate proposed to be granted to the Directors to exercise all the powers of the Company to repurchase Shares listed on the Stock Exchange of up to 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of the resolution to grant such mandate at the 2008 AGM
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of HK\$0.10 each in the capital of the Company
“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



IDT INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

(stock code: 167)

Executive Directors:

Raymond Chan, JP, *Chairman & Chief Executive Officer*

Chan Pau Shiu Yeng, Shirley

Lam Yee Wah, Eva, *Group Chief Financial Officer*

Registered Office:

Clarendon House,

2 Church Street

Hamilton HM 11

Bermuda

Non-Executive Directors:

Lo Kai Yiu, Anthony[#]

Kao Ying Lun[#]

Jack Schmuckli[#]

Kenichi Ohmae[#]

Woo Chia Wei

Yoram (Jerry) Wind[#]

Principal Place of Business:

Block C, 9th Floor

Kaiser Estate Phase 1

41 Man Yue Street

Hunghom, Kowloon

Hong Kong

[#] *Independent Non-Executive Director*

July 29, 2008

To the Shareholders,

Dear Sir or Madam,

PROPOSAL FOR GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES AND RE-ELECTION OF RETIRING DIRECTORS

INTRODUCTION

The purpose of this circular is to provide you with information reasonably necessary to enable you to make a decision on whether to vote for or against the ordinary resolutions to be proposed at the 2008 AGM of the Company to be held on August 28, 2008 for the purpose of considering and if thought fit, passing resolutions to approve the renewal of the general mandates granted to the Directors to issue and repurchase Shares of the Company and the re-election of the retiring Directors.

GENERAL MANDATE TO ISSUE AND REPURCHASE SHARES

At the last annual general meeting of the Company held on August 20, 2007, ordinary resolutions were passed to renew the general mandates granted to the Directors (i) to allot, issue and deal with Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company in issue on August 20, 2007 and the nominal amount (up to a maximum of 10% of the aggregate nominal amount of the Company's then issued share capital) of any Shares repurchased by the Company; and (ii) to repurchase Shares up to 10% of the aggregate nominal amount of the issued share capital of the Company

LETTER FROM THE BOARD

in issue on August 20, 2007. These general mandates will lapse at the conclusion of the 2008 AGM. Ordinary resolutions set out as resolutions no. 4 to no. 6 in the notice of 2008 AGM will be proposed to renew these mandates.

As at the Latest Practicable Date, 20% and 10% of the aggregate nominal amount of the issued share capital of the Company in issue amounted to 500,454,217 Shares and 250,227,108 Shares respectively.

An explanatory statement as required by the Listing Rules to provide the Shareholders with all the information reasonably necessary for them to make an informed decision on the proposed resolution for the granting of the Repurchase Mandate is set out in Appendix I to this circular.

RE-ELECTION OF DIRECTORS

According to the Bye-Law 89, the Directors may appoint any person to be a Director as an additional Director or to fill a casual vacancy. Any person so appointed shall hold office only until the next following annual general meeting and shall be eligible for re-election. Dr. Lam Yee Wah, Eva, who was appointed as an additional Director by Directors after the annual general meeting of the Company in 2007, shall retire at the 2008 AGM.

According to the Bye-Law 97, one-third of the Directors, if their number is not three or a multiple of three, the number nearest to one-third shall retire from office by rotation at every annual general meeting of the Company. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree between themselves) be determined by lot. A retiring Director shall be eligible for re-election. Mr. Kao Ying Lun, Mr. Jack Schmuckli, Professor Woo Chia Wei and Professor Yoram (Jerry) Wind will retire at the 2008 AGM.

Being eligible, Dr. Lam Yee Wah, Eva, Mr. Kao Ying Lun and Mr. Jack Schmuckli will offer themselves for re-election at the 2008 AGM. Ordinary resolutions will be proposed to re-elect each of them as Director at the 2008 AGM.

Professor Woo Chia Wei and Professor Yoram (Jerry) Wind will not offer themselves for re-election. There is no other matter that needs to be brought to the attention of the Shareholders.

Biographical details in respect of Dr. Lam Yee Wah, Eva, Mr. Kao Ying Lun and Mr. Jack Schmuckli, are set out in Appendix II to this circular.

2008 AGM

The notice convening the 2008 AGM to be held at Victoria Room, 1/F., The Royal Garden, 69 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Thursday, August 28, 2008 at 2:30 p.m. is set out on pages 10 to 13 of this circular.

LETTER FROM THE BOARD

According to the Bye-Laws 67 and 68, 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 the declaration of the result of the show of hands) demanded by:

- (i) the chairman;
- (ii) at least three members present in person or by proxy or authorised representative for the time being entitled to vote at the meeting;
- (iii) any member or members present in person or by proxy or authorised representative and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (iv) a member or members present in person or by proxy or authorised representative 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.

Unless a poll is so demanded and the demand is not withdrawn or unless a poll is taken as may from time to time be required under the rules of the Designated Stock Exchange or under any other applicable laws, rules or regulations, a declaration by the chairman that a resolution has, on a show of hands, been carried or carried unanimously or by a particular majority or lost and an entry to that effect in the book of proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against that resolution.

If a poll is duly demanded or if a poll is required to be taken under the rules of the Designated Stock Exchange or under any other applicable laws, rules or regulations, it shall (subject as provided in Bye-Law 71) be taken in such manner (including the use of ballot or voting papers or tickets or scrutineers) and at such time and place, not being more than 30 days from the date of the meeting or adjourned meeting at which the poll was demanded or was required to be taken, as the chairman directs and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded or was required to be taken. No notice need be given of a poll not taken immediately. The demand for a poll may be withdrawn with the consent of the chairman at any time before the close of the meeting or the taking of the poll, whichever is the earlier.

RECOMMENDATION

The Directors consider that the granting of the general mandates to issue and repurchase Shares and the re-election of the retiring Directors are each in the best interests of the Company and the Shareholders and recommend Shareholders to vote in favour of the resolutions to be proposed at the 2008 AGM.

Your attention is also drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
Raymond Chan, JP
Chairman and Chief Executive Officer

The following serves as an explanatory statement in compliance with the Listing Rules to give all the information reasonably necessary to enable Shareholders to make an informed decision on whether to vote for or against the resolution to approve the Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company was HK\$250,227,108.8 comprising 2,502,271,088 Shares. There were also outstanding Options carrying the rights to subscribe for 35,910,000 Shares. Among these outstanding Options, 19,136,000 outstanding Options were exercisable before the 2008 AGM to subscribe for 19,136,000 Shares.

Subject to the passing of the relevant ordinary resolution to approve the Repurchase Mandate (as set out in resolution no. 5 of the notice of the 2008 AGM) and that no further Shares are issued or repurchased and no subscription rights of the Options are exercised prior to the 2008 AGM, exercise in full of the Repurchase Mandate would result in the repurchase by the Company of a maximum of 250,227,108 Shares during the period ending on the earliest of the date of the next annual general meeting following the 2008 AGM, the date by which the next annual general meeting following the 2008 AGM of the Company is required by the Bye-Laws of the Company or any applicable laws of Bermuda to be held or the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

2. REASONS FOR REPURCHASES

The Directors have no present intention to repurchase any Shares but consider that the Repurchase Mandate is in the best interests of the Company and the Shareholders. Such repurchases 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 repurchases will benefit the Company and the Shareholders.

There might be material adverse impact on the working capital or gearing position of the Company as compared with the financial position of the Company as at March 31, 2008 (being the date to which the latest audited financial statements of the Company were made up) in the event that the Repurchase Mandate is carried out in full during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such an 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.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Memorandum of Association and Bye-Laws and all applicable laws of Bermuda.

4. MARKET PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the twelve months from July 1, 2007 to the Latest Practicable Date were as follows:

	Highest Per Share	Lowest Per Share
	<i>HK\$</i>	<i>HK\$</i>
2007		
July	0.460	0.370
August	0.395	0.250
September	0.365	0.280
October	0.370	0.280
November	0.415	0.265
December	0.590	0.345
2008		
January	0.520	0.280
February	0.335	0.290
March	0.315	0.245
April	0.295	0.270
May	0.395	0.290
June	0.355	0.290
July	0.310	0.265

5. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSON

None of the Directors nor, to the best of their knowledge and having made all reasonable enquiries, any of their respective associates, have any present intention to sell any Shares to the Company or its subsidiaries under the Repurchase Mandate in the event that such mandate is approved by Shareholders.

No connected person, as defined in the Listing Rules, has notified the Company that he/she has a present intention to sell any Shares to the Company, nor has he/she undertaken not to do so in the event that the Repurchase Mandate is approved by Shareholders.

6. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules, all applicable laws of Bermuda and in accordance with the Memorandum of Association and Bye-Laws of the Company.

7. EFFECT OF TAKEOVERS CODE

If on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, 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 Rule 32 of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert (within the meaning of the Takeovers Code) could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code for all Shares not already owned by such Shareholder or group of Shareholders.

As at the Latest Practicable Date, Dr. Raymond Chan and Mrs. Chan Pau Shiu Yeng, Shirley (the spouse of Dr. Raymond Chan) together with their associates were interested in Shares representing approximately 56.35% of the issued share capital of the Company. To the best of the knowledge and belief of the Company, Dr. Raymond Chan and Mrs. Chan Pau Shiu Yeng, Shirley together with their associates are the only substantial Shareholders of the Company. On the basis of 2,502,271,088 Shares in issue and in the event that the Directors exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the Repurchase Mandate, the shareholding of Dr. Raymond Chan and Mrs. Chan Pau Shiu Yeng, Shirley together with their associates in the Company would be increased to approximately 62.61% of the enlarged issued share capital of the Company. Such increase in shareholding will not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

8. SHARES REPURCHASES 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 biography of the Directors who are proposed to be re-elected at the 2008 AGM are set out below:

Lam Yee Wah, Eva

Executive Director and Group Chief Financial Officer, aged 48. Dr. Lam joined the Group in November 2007 and has been appointed as Executive Director of the Company since April 2008. She oversees the corporate and financial matters of the Group and ensures achievement of corporate objectives and enhancement of corporate governance. Dr. Lam has over 25 years' solid experience in financial management and expertise in various aspects including auditing, group management accounting, company secretarial services and strategic mergers and acquisitions. Prior to joining the Company, she had worked in the telecom industry for over 21 years, first started with Hong Kong Telecom Group (now PCCW) holding various positions. Her last position was the Chief Financial Officer and Company Secretary of CSL (New World) Mobility Limited. Dr. Lam is a Fellow Member of The Hong Kong Institute of Chartered Secretaries (HKICS), a Fellow Member of The Hong Kong Institute of Certified Public Accountants (HKICPA) and also a Fellow Member of The Association of Chartered Certified Accountants (ACCA). She holds a Doctorate degree in Business Administration from The University of Newcastle in Australia, and an Executive Master degree in Business Administration from The Chinese University of Hong Kong, and a Professional Diploma in Accountancy from the Hong Kong Polytechnic University. She has not held any directorship in any other listed public companies in the last three years.

As at the Latest Practicable Date, Dr. Lam has personal interest in 3,000,000 share options of the Company. Save as disclosed herein, she does not have any interest in the shares within the meaning of Part XV of the SFO. Other than the relationship arising from her being the Executive Director, Group Chief Financial Officer and the Qualified Accountant of the Company, Dr. Lam does not have any relationships with any other directors, senior management or substantial or controlling shareholders of the Company.

Dr. Lam has entered into a service agreement with the Company for a term of three years from April 1, 2008 to March 31, 2011 and is subject to retirement and re-election at annual general meeting in accordance with the provisions of the Bye-Laws. She is entitled to a director's fee of HK\$50,000 per annum subject to any adjustments as the Board considered appropriate by reference to the prevailing directors' fees for directors of listed companies in Hong Kong and subject to Shareholders' approval at annual general meeting.

Save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders and there is no information to be disclosed pursuant to Rules 13.51(2) of the Listing Rules in connection with the re-election of Dr. Lam.

Kao Ying Lun

Independent Non-Executive Director and a member of the Audit Committee, Nomination Committee and Remuneration Committee, aged 55. Mr. Kao was appointed in June 1997. He has over 20 years of business and professional experience in investment banking and corporate finance. Mr. Kao holds an Honours Business Administration Degree from Richard Ivey School of Business, The University of Western Ontario and is a Chartered Accountant qualified in Canada. He was a director of VODone Limited (formerly "Yanion International Holdings Limited"), a company listed on the Stock Exchange. Save as disclosed above, he has not held any directorship in any other listed public companies in the last three years.

As at the Latest Practicable Date, Mr. Kao has personal interest in 1,040,000 Options of the Company. Save as disclosed herein, Mr. Kao does not have any interest in the shares within the meaning of Part XV of the SFO. Other than the relationship arising from his being an Independent Non-Executive Director, Mr. Kao does not have any relationships with any other directors, senior management or substantial or controlling shareholders of the Company.

Mr. Kao has entered into a service agreement with the Company for a term of three years from November 10, 2007 to November 9, 2010 and is subject to retirement and re-election at annual general meeting in accordance with the provisions of the Bye-Laws. For the financial year ended March 31, 2008, he received a director's fee approximately HK\$300,000 under the service agreement. This fee is subject to such adjustments as the Board considered appropriate by reference to his duties and responsibilities with the Company in line with the other independent non-executive directors of the Company and subject to Shareholders' approval at annual general meeting.

Save as disclosed above, there are no other matters that need to be brought to the attention of the shareholder and there is no information to be disclosed pursuant to Rules 13.51(2) of the Listing Rules in connection with the re-election of Mr. Kao.

Jack Schmuckli

Independent Non-Executive Director, Chairman of the Nomination Committee and Remuneration Committee and a member of the Audit Committee, aged 68. Mr. Schmuckli was appointed in May 1999. He has over 35 years of professional executive product marketing experience in the photographic and electronics industries. He had been the Chairman and Chief Executive Officer of Sony Europe GmbH for 14 years and had also been an executive member of the board of Sony Corporation, Tokyo. Mr. Schmuckli now holds several non-executive board memberships, mainly in Switzerland. He is a director of SEZ Holding Ltd, a company listed on the SWX Swiss Exchange. Save as disclosed above, he has not held any directorship in any other listed public companies in the last three years.

As at the Latest Practicable Date, Mr. Schmuckli has personal interest in 1,667,200 Shares and 1,040,000 Options of the Company. Save as disclosed herein, Mr. Schmuckli does not have any interest in the shares within the meaning of Part XV of the SFO. Other than the relationship arising from his being an Independent Non-Executive Director, Mr. Schmuckli does not have any relationships with any other directors, senior management or substantial or controlling shareholders of the Company.

Mr. Schmuckli has entered into a service agreement with the Company for a term of three years from November 10, 2007 to November 9, 2010 and is subject to retirement and re-election at annual general meeting in accordance with the provisions of the Bye-Laws. For the financial year ended March 31, 2008, he received a director's fee approximately HK\$350,000 under the service agreement. This fee is subject to such adjustments as the Board considered appropriate by reference to his duties and responsibilities with the Company in line with the other independent non-executive directors of the Company and subject to Shareholders' approval at annual general meeting.

Save as disclosed above, there are no other matters that need to be brought to the attention of the shareholder and there is no information to be disclosed pursuant to Rules 13.51(2) of the Listing Rules in connection with the re-election of Mr. Schmuckli.

NOTICE OF ANNUAL GENERAL MEETING



IDT INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)

(stock code: 167)

NOTICE IS HEREBY GIVEN that the annual general meeting of the Company will be held at Victoria Room, 1/F., The Royal Garden, 69 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Thursday, August 28, 2008 at 2:30 p.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 March 31, 2008.
2. To re-elect the following retiring directors and authorise the directors to fix the remuneration of directors:
 - (a) Dr. Lam Yee Wah, Eva
 - (b) Mr. Kao Ying Lun; and
 - (c) Mr. Jack Schmuckli.
3. To re-appoint auditors and authorise the directors to fix their remuneration.
4. As special business, to consider and, if thought fit, pass the following resolution as ordinary resolution of the Company with or without modifications:

“THAT:

- (a) subject to paragraph (c) of this resolution, the exercise by the directors during the Relevant Period (as hereinafter defined) 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, options and warrants carrying the right to subscribe for shares, which would or might require the exercise of such powers, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution shall authorise the directors during the Relevant Period to make or grant offers, agreements, options and warrants carrying the right to subscribe for shares, 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) by the directors pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) any Share Option

NOTICE OF ANNUAL GENERAL MEETING

Scheme (as hereinafter defined) of the Company; or (iii) any scrip dividend or other similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Bye-Laws of the Company, shall not exceed the sum of 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this resolution, and the said approval shall be limited accordingly; and

- (d) 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 its Bye-Laws or any applicable laws of Bermuda to be held; and
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the directors to holders of shares of the Company appearing on its register of members on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong); and

“Share Option Scheme” means a share option scheme or similar arrangement for the time being, as varied from time to time, adopted for the grant or issue to executive directors and employees of the Company and its subsidiaries of rights to acquire shares of the Company.”

5. As special business, to consider and, if thought fit, pass the following resolution as ordinary resolution of the Company with or without modifications:

“THAT:

- (a) subject to paragraph (b) of this resolution, the exercise by the directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to purchase issued shares in the capital of the Company subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time, be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the aggregate nominal amount of the share capital of the Company to be purchased or agreed conditionally or unconditionally to be purchased by the directors pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this resolution, and the said approval 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;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by its Bye-Laws or any applicable laws of Bermuda to be held; and
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

- 6. As special business, to consider and, if thought fit, pass the following resolution as ordinary resolution of the Company with or without modifications:

“**THAT** the exercise by the directors of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company in accordance with the general mandate granted pursuant to resolution numbered 4 set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of shares of the Company purchased by the Company under the authority granted pursuant to resolution numbered 5 set out in the notice convening this meeting provided that such amount shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this resolution.”

By Order of the Board of Directors
Lui Yuk Ping
Company Secretary

Hong Kong, July 29, 2008

NOTICE OF ANNUAL GENERAL MEETING

Notes:

- (i) A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
- (ii) To be valid, the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof shall be deposited at the principal place of business of the Company in Hong Kong at Block C, 9/F., Kaiser Estate Phase 1, 41 Man Yue Street, Hunghom, Kowloon, Hong Kong not less than forty-eight hours before the time for holding the annual general meeting or any adjourned meeting.
- (iii) With regard to item no. 2 in this notice, the Board of Directors of the Company recommends to members the re-election of Dr. Lam Yee Wah, Eva, Mr. Kao Ying Lun and Mr. Jack Schmuckli as Directors of the Company. Dr. Lam Yee Wah, Eva, upon re-election as Director of the Company, will continue to serve as an Executive Director. Mr. Kao Ying Lun, upon re-election as Director of the Company, will continue to serve as an Independent Non-Executive Director and a member of the Audit Committee, Nomination Committee and Remuneration Committee. Mr. Jack Schmuckli, upon re-election as Director of the Company, will continue to serve as an Independent Non-Executive Director, Chairman of the Nomination Committee and Remuneration Committee and a member of the Audit Committee. Details of these Directors are set out in Appendix II of the circular to shareholders dated July 29, 2008.