

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting (the “**Meeting**”) of Pak Tak International Limited (the “**Company**”) will be held at Units 404-411, 4th Floor, Fanling Industrial Centre, 21 On Kui Street, On Lok Tsuen, Fanling, New Territories, Hong Kong on Wednesday, 23 August 2006 at 11:00 a.m. for the purposes of transacting the following business:

### Ordinary Business

1. To receive, consider and adopt the audited consolidated financial statements and the reports of the directors (the “**Directors**”) and auditors of the Company and its subsidiaries for the year ended 31 March 2006.
2. (A) To re-elect Mr. Cheng Chi Tai as an Executive Director (Note 5(a)).  
  
(B) To re-elect Mr. Cheng Kwai Chun, John as an Executive Director (Note 5(b)).  
  
(C) To authorise the Board of Directors to fix the Directors’ remuneration for the ensuing year.
3. To re-appoint Baker Tilly Hong Kong Limited as Auditors of the Company for the ensuing year and authorise the Board of Directors to fix their remuneration.

### Special Business

4. To consider and, if thought fit, to pass the following resolutions with or without amendments as ordinary resolutions:
  - (A) “**THAT:**
    - (1) a general mandate be and is hereby unconditionally given to the Board of Directors of the Company during the Relevant Period to issue, allot or otherwise deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers, subject to the following conditions:
      - (a) such mandate shall not extend beyond the Relevant Period save that the Board of Directors of the Company may during the Relevant Period make or grant offers, agreements and options which might require the exercise of such powers to allot, issue and deal with additional shares in the capital of the Company at any time during or after the end of the Relevant Period; and
      - (b) the aggregate nominal amount of shares in the capital of the Company which may be allotted, issued or otherwise dealt with by the Board of Directors of the Company pursuant to such mandate, otherwise than pursuant to (i) a Rights Issue; or (ii) the exercise of rights of subscription or conversion under the terms of any warrants or other securities issued by the Company carrying a right to subscribe for or purchase shares of the Company; or (iii) the exercise of any option under any share option scheme of the Company adopted by its shareholders or similar arrangement for the grant or issue to employees of the Company and/or any of its subsidiaries of options to subscribe for or rights to acquire shares of the Company; or (iv) any scrip dividend or other similar

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scheme implemented in accordance with the Bye-laws of the Company, shall not exceed 20 per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution no. 4(A); and

- (2) for the purpose of this Resolution no. 4(A):

**“Relevant Period”** means the period from the passing of this Resolution no. 4(A) until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) 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
- (c) the revocation or variation of the authority given under this Resolution no. 4(A) by an ordinary resolution of the shareholders of the Company in general meeting.

**“Rights Issue”** means an offer of shares open for a period fixed by the Board of Directors of the Company to holders of shares on its Register of Members on a fixed record date in proportion to their then holdings of shares (subject to such exclusions or other arrangements as the Board of 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:**

- (1) a general mandate be and is hereby unconditionally given to the Board of Directors of the Company during the Relevant Period to exercise all powers of the Company to repurchase shares in the capital of the Company and to make offers, agreements and options which might require the exercise of such powers subject to the following conditions:
- (a) the exercise of all powers pursuant to such mandate shall be subject to and in accordance with all applicable laws and requirements and regulations of the relevant stock exchange; and
  - (b) the aggregate nominal amount of shares in the share capital of the Company which may be repurchased pursuant to such mandate 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 Resolution no. 4(B); and

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(2) for the purposes of this Resolution no. 4(B):

“**Relevant Period**” means the period from the passing of this Resolution no. 4(B) until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) 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
- (c) the revocation or variation of the authority given under this Resolution no. 4(B) by an ordinary resolution of the shareholders of the Company in general meeting.”

(C) “**THAT** conditional upon the passing of the ordinary resolutions set out in items 4(A) and 4(B) in the notice convening this Meeting, the general mandate granted to the Board of Directors of the Company pursuant to the authority given in the resolution set out in item 4(A) in the notice convening this Meeting to issue, allot or otherwise deal with additional shares of the Company and to make or grant offers, agreements and options which might require the exercise of such powers during the Relevant Period (as defined in Resolution no. 4(A)) be and is hereby extended by the addition to the aggregate nominal amount of shares in the capital of the Company which may be issued, allotted or otherwise dealt with pursuant to such general mandate of an amount representing the aggregate nominal amount of shares in the capital of the Company repurchased by the Board of Directors of the Company pursuant to their exercise of the powers of the Company to repurchase such shares in accordance with the ordinary resolution set out in item 4(B) in the notice convening this Meeting.”

5. To consider and, if thought fit, to pass the following resolutions with or without amendments as special resolutions:

“**THAT** the Bye-laws of the Company be amended as follows:

By deleting the words “special resolution” in Bye-law 86(4) and substituting therefor “ordinary resolution”.”

On behalf of the Board

**Cheng Chi Tai**

*Chairman*

Hong Kong, 25 July 2006

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*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Principal place of business in Hong Kong:*

Units 404-411, 4th Floor  
Fanling Industrial Centre  
21 On Kui Street, On Lok Tsuen  
Fanling, New Territories  
Hong Kong

*Notes:*

- (1) A member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies (if a member who is the holder of two or more shares) to attend and vote in his stead. A proxy needs not be a member of the Company.
- (2) To be valid, the form of proxy together with the power of attorney (if any) or other authority (if any) under which it is signed or a certified copy of such power or authority must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Standard Registrars Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or any adjourned Meeting. Completion and delivery of the form of proxy will not preclude you from attending and voting at the Meeting if you so desire.
- (3) The Register of Members of the Company will be closed from 8 August 2006 (Tuesday) to 23 August 2006 (Wednesday), both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attending the Meeting, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Standard Registrars Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong for registration not later than 4:00 p.m. on 7 August 2006 (Monday).
- (4) An Explanatory Statement containing further details regarding ordinary resolution no. 4(B) as required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited will be dispatched to the members of the Company together with the 2006 annual report of the Company.
- (5) The following are the particulars of the Directors to be retired and proposed to be re-elected at the Meeting:
  - (a) Mr. CHENG Chi Tai, aged 62, Chairman of the Company. Mr. Cheng Chi Tai has been in the knitwear business since the 1960's and is the founder of the Group. Mr. Cheng Chi Tai is responsible for strategic planning and formulating the Group's overall business development strategy and corporate policies.

Mr. Cheng Chi Tai is a director in a number of subsidiaries of the Group. He is also a director and the shareholder of Best Ahead Limited, a substantial shareholder of the Company. Mr. Cheng Chi Tai is the father of Mr. Cheng Kwai Chun, John and Ms. Cheng Lai Shan, Lisa. He is also the cousin of Mr. Lin Chick Kwan, Mr. Lin Wing Chau and Mr. Lin Chik Wai. Mr. Cheng Kwai Chun, John, Mr. Lin Chick Kwan and Mr. Lin Wing Chau are executive Directors of the Company whereas Mr. Lin Chik Wai and Ms. Cheng Lai Shan, Lisa are senior management of the Company. Save as disclosed above, Mr. Cheng Chi Tai does not have any other relationship with any Director, senior management, substantial shareholder or controlling shareholder of the Company. Mr. Cheng Chi Tai did not hold any directorship in other listed public companies in the past three years. Mr. Cheng Chi Tai is not appointed for a specific term and is subject to retirement and re-election in accordance with the Bye-laws of the Company. He is entitled to director's fee of HK\$70,000 per month plus discretionary bonus to be determined by the Board at its discretion by reference to his performance and the business of the Group.

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As at the date hereof, Mr. Cheng Chi Tai has the following interests in the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (“SFO”):

Number of shares interested (long position)	Capacity	Approximate percentage of the issued share capital of the Company
40,314,280	Corporate	17.05%
120,840,000	Founder of a discretionary trust	51.11%
1,860,000	Family interest	0.78%

Save as disclosed above, Mr. Cheng Chi Tai does not have any other interests in the shares of the Company within the meaning of Part XV of the SFO.

There is no information which is discloseable nor is/was Mr. Cheng Chi Tai involved in any of the matters required to be disclosed pursuant to Rule 13.51(2)(h) to 13.51(2)(v) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Save for the above, there is no other matter that needs to be brought to the attention of the shareholders of the Company.

- (b) Mr. CHENG Kwai Chun, John, aged 34, Deputy Chairman and Managing Director of the Company. Mr. Cheng Kwai Chun, John obtained a Bachelor degree in Science from the University of New South Wales, Australia, and a Master degree in Finance from the RMIT University, Australia. Mr. Cheng Kwai Chun, John was also awarded the “Professional Diploma in Corporate Governance and Directorship” by Hong Kong Productivity Council and The Hong Kong Institute of Directors and a diploma in business management by the Hong Kong Management Association. Mr. Cheng Kwai Chun, John joined the Group in 1996 and is responsible for business development and overall day-to-day management and operations of the Group.

Mr. Cheng Kwai Chun, John is a director in a number of subsidiaries of the Group. He is also a director of Best Ahead Limited, a substantial shareholder of the Company. Mr. Cheng Kwai Chun, John is the son of Mr. Cheng Chi Tai and is the brother of Ms. Cheng Lai Shan, Lisa. Mr. Cheng Chi Tai is the Chairman and an executive Director of the Company whereas Ms. Cheng Lai Shan, Lisa is the senior management of the Company. Save as disclosed above, Mr. Cheng Kwai Chun, John does not have any other relationship with any Director, senior management, substantial shareholder or controlling shareholder of the Company. Mr. Cheng Kwai Chun, John did not hold any directorship in other listed public companies in the past three years. Mr. Cheng Kwai Chun, John is not appointed for a specific term and is subject to retirement and re-election in accordance with the Bye-laws of the Company. He is entitled to director’s fee of HK\$60,000 per month plus discretionary bonus to be determined by the Board at its discretion by reference to his performance and the business of the Group.

As at the date hereof, Mr. Cheng Kwai Chun, John has the following interests in the Company within the meaning of Part XV of the SFO:

Number of shares interested (long position)	Capacity	Approximate percentage of the issued share capital of the Company
120,840,000	Object of a discretionary trust	51.11%

Save as disclosed above, Mr. Cheng Kwai Chun, John does not have any other interests in the shares of the Company within the meaning of Part XV of the SFO.

There is no information which is discloseable nor is/was Mr. Cheng Kwai Chun, John involved in any of the matters required to be disclosed pursuant to Rule 13.51(2)(h) to 13.51(2)(v) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Save for the above, there is no other matter that needs to be brought to the attention of the shareholders of the Company.