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## IMPORTANT

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**HUNG HING**

# **HUNG HING PRINTING GROUP LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 0450)**

**PROPOSALS RELATING TO  
GENERAL MANDATES TO REPURCHASE SHARES,  
REPURCHASE CONVERTIBLE BONDS  
AND TO ISSUE NEW SHARES,  
RE-ELECTION OF DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of Hung Hing Printing Group Limited (the “Company”) to be held at Aberdeen Room Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Friday, 31 August, 2007 at 4:00 p.m. is set out on pages 11 to 14 of this circular. Whether or not you are able to attend the said meeting, you are requested to complete and return the accompanying proxy form 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 meeting. Completion and return of the proxy form will not prevent you from attending and voting at the Annual General Meeting if you so wish.

31 July, 2007

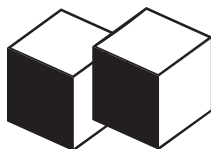
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## DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held on Friday, 31 August, 2007 at 4:00 p.m., notice of which is set out on pages 11 to 14 of this circular (or any adjournment thereof)
“CB Repurchase Mandate”	a general mandate proposed to be granted to the Directors to exercise the power of the Company to repurchase Convertible Bonds on the terms set out in the notice of Annual General Meeting
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Company”	Hung Hing Printing Group Limited
“Convertible Bonds”	the zero coupon guaranteed convertible bonds of an aggregate principal amount of HK\$750,000,000 due 2011, details of which are set out in the Company’s announcement dated 3 March 2006
“Directors”	directors of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	25 July, 2007, being the latest practicable date prior to the printing of this document
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Repurchase Proposal”	the Repurchase Resolution 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% of the issued share capital of the Company at the date of the Repurchase Resolution
“Repurchase Resolution”	the proposed ordinary resolution as referred to in resolution No. 5B of the notice of the Annual General Meeting
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of \$0.10 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“\$” and “cents”	Hong Kong dollars and cents respectively



HUNG HING

# HUNG HING PRINTING GROUP LIMITED

*(Incorporated in Hong Kong with limited liability)*

*Executive Directors:*

YAM Cheong Hung (*Chairman*)  
YUM Chak Ming, Matthew (*Managing Director*)  
YAM Ho Ming, Michael  
YAM Hon Ming, Tommy

*Registered Office:*

Hung Hing Printing Centre  
17–19 Dai Hei Street  
Tai Po Industrial Estate  
New Territories  
Hong Kong

*Non-Executive Directors:*

CHU Shu Ho, David  
YUM Pui Ming, Anna

*Independent Non-Executive Directors:*

WONG Siu Ping  
YAP, Alfred Donald  
YIP Yu Bun

31 July, 2007

*To shareholders of the Company*

Dear Sir or Madam,

## 1. GENERAL MANDATE TO REPURCHASE SHARES AND CONVERTIBLE BONDS

At the annual general meeting of the Company held on 28 August, 2006, general mandates were given by the Company to the Directors to exercise all the powers of the Company to repurchase the Shares and to repurchase the Convertible Bonds. Such mandates will lapse at the conclusion of the Annual General Meeting.

The Directors propose to seek your approval of a general mandate to repurchase Shares not exceeding 10% of the issued Share Capital of the Company at the Annual General Meeting. An explanatory statement as required under the Listing Rules to provide the requisite information of the Repurchase Proposal is set out in the appendix hereto.

The Company also proposes that an ordinary resolution be passed at the Annual General Meeting to authorise the Directors to exercise the powers of the Company to repurchase not exceeding 10% of the outstanding principal amount of the Convertible Bonds as at the date of passing such resolution at such price as the Directors from time to time determine during the period from the date of the Annual General Meeting up to the next following annual general meeting of the Company. As at the Latest Practicable Date, there was an aggregate principal amount of HK\$750,000,000 of the Convertible Bonds outstanding. The proposed mandate to authorise the

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## LETTER FROM THE CHAIRMAN

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Directors to exercise the powers of the Company to repurchase the Convertible Bonds will allow the Company to reduce the potentially dilutive effects on shareholding upon conversion and (depending on the price at which the Convertible Bonds are acquired) may allow the Company to profit from repurchases. Accordingly, the Directors consider that the proposed mandate to authorise the Directors to exercise the powers of the Company to repurchase the Convertible Bonds is in the best interests of the Company and its shareholders as a whole.

### 2. GENERAL MANDATE TO ISSUE SHARES

It will also be proposed at the Annual General Meeting two ordinary resolutions respectively granting to the Directors a general mandate to allot, issue and deal with Shares not exceeding 20% of the issued share capital of the Company at the date of passing the 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 up to 10% of the issued share capital of the Company at the date of passing the Repurchase Resolution.

### 3. RE-ELECTION OF DIRECTORS

Pursuant to articles 92 and 98 of the articles of association of the Company, Mr. Yam Cheong Hung, Mr. Yum Chak Ming, Matthew and Dr. Chu Shu Ho, David will be retiring from office at the Annual General Meeting and they, being eligible, offer themselves for re-election at the Annual General Meeting.

The particulars of the Directors proposed to be re-elected at the Annual General Meeting are as follows:

**Mr. Yam Cheong Hung**, aged 78, has been the Chairman and a director of the Company since 1991. He is responsible for the strategic policy and the corporate development of the Group. He has over 50 years of experience in the printing industry. Mr. Yam had not held any directorship in any other listed companies during the three years preceding the Latest Practicable Date.

As at the Latest Practicable Date, Mr. Yam had a personal interests of 2,284,000 Shares, a corporate interests of 282,746,379 Shares and a family interests of 1,650,207 Shares held by his spouse. Such interests are required to notify the Stock Exchange pursuant to Part XV of the SFO. Mr. Yam is the father of Yum Chak Ming, Matthew, Yam Ho Ming, Michael and Yam Hon Ming, Tommy, all executive directors of the Company and Yum Pui Ming, Anna, non-executive director of the Company. Mr. Yam is also the father-in-law of Chan Siu Man, Alvin and Chan Lai Him, Raymond, both senior management of the Company. Save as disclosed herein, he does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company.

Mr. Yam has not entered into any service contract with the Company and he is subject to retirement by rotation and re-election in accordance with the articles of association of the Company. The director's remuneration of Mr. Yam as an executive director is to be determined by the board of Directors with reference to his experience and the Company's performance. For the year ended 31 March, 2007, Mr. Yam received a director's remuneration amounted to HK\$9.62 million.

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## LETTER FROM THE CHAIRMAN

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**Mr. Yum Chak Ming, Matthew**, aged 49, has been the Managing Director and a director of the Company since 1991. He holds a Bachelor of Applied Science degree in Industrial Engineering and a Master of Business Administration degree in Marketing and Finance, both from the University of Toronto. He is responsible for the overall management of the Group. He has been with the Group since 1983. Mr. Yum had not held any directorship in any other listed companies during the three years preceding the Latest Practicable Date.

As at the Latest Practicable Date, Mr. Yum had a personal interests of 9,184,537 Shares. Such interests are required to notify the Stock Exchange pursuant to Part XV of the SFO. Mr. Yum is the son of Yam Cheong Hung, the Chairman of the Company and the brother of Yam Ho Ming, Michael and Yam Hon Ming, Tommy, both executive directors of the Company and Yum Pui Ming, Anna, non-executive director of the Company. Mr. Yum is also the brother-in-law of Chan Siu Man, Alvin and Chan Lai Him, Raymond, both senior management of the Company. Save as disclosed herein, he does not have any relationship with any Directors, senior management, substantial shareholders or controlling shareholders of the Company.

Mr. Yum has not entered into any service contract with the Company and he is subject to retirement by rotation and re-election in accordance with the articles of association of the Company. The director's remuneration of Mr. Yum as an executive director is to be determined by the board of Directors with reference to his experience and the Company's performance. For the year ended 31 March, 2007, Mr. Yum received a director's remuneration amounted to HK\$8.13 million.

**Dr. Chu Shu Ho, David, JP**, aged 57, has been a director of the Company since 1991. He has over 30 years of experience in the paper packaging industry. He is the Honorary Chairman of the Hong Kong Corrugated Paper Manufacturers Association Limited. He is also a member of the National Committee of the Chinese People's Political Consultative Conference (CPPCC) and a Vice Chairman of the Subcommittee for Handling Proposals of the CPPCC. He is well known in the Chinese sports society. He has made significant contribution in Beijing's successful application for holding the 2008 Olympic Games. Dr. Chu is the Chairman of the Mission Hills Group and Mission Hills Golf Club. Dr. Chu had not held any directorship in any other listed companies during the three years preceding the Latest Practicable Date.

As at the Latest Practicable Date, Dr. Chu did not have any interests in Shares within the meaning of Part XV of the SFO. Dr. Chu is not connected with any Directors, senior management or substantial or controlling shareholders of the Company.

Dr. Chu has not entered into any service contract with the Company and he is subject to retirement by rotation and re-election in accordance with the articles of association of the Company. The director's fee of Dr. Chu as a non-executive director is to be determined by the board of Directors with reference to his experience and prevailing market conditions of director's fee for non-executive director. For the year ended 31 March, 2007, Dr. Chu received a director's fee of HK\$50,000.

There are no other matters that need to be brought to the attention to the shareholders of the Company.

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## LETTER FROM THE CHAIRMAN

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### 4. ANNUAL GENERAL MEETING

A notice convening the Annual General Meeting is set out on pages 11 to 14 of this circular at which, among other things,

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

### 5. PROCEDURE FOR DEMANDING A POLL

Pursuant to article 58 of the articles of association of the Company, a resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands a poll is duly demanded. Subject to the provisions of the Companies Ordinance, a poll may be demanded:

- (i) by the chairman of the meeting; or
- (ii) by not less than five members having the right to vote at the meeting; or
- (iii) by a member or members 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) by a member or members holding shares conferring a right to vote on the resolution 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.

### 6. ACTION TO BE TAKEN

A proxy form for use at the Annual General Meeting is despatched together with this circular. Whether or not you propose to attend the Annual General Meeting, you are requested to complete the said proxy form and return it to the Company's Registrars, Tengis Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 48 hours before the time appointed for holding the Annual General Meeting. Completion and return of the proxy form will not prevent you from attending and voting at the Annual General Meeting if you so wish.

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## LETTER FROM THE CHAIRMAN

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### 7. RECOMMENDATION

The Directors believe that the Repurchase Proposal, the general mandate to Directors to repurchase Convertible Bonds and the general mandate to Directors to issue new Shares 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 resolutions set out in the notice of the Annual General Meeting as they intend to do so themselves in respect of their own holdings.

Yours faithfully,  
**Yam Cheong Hung**  
*Chairman*

This appendix serves as an explanatory statement, as required by the Companies Ordinance and the Listing 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 and Convertible Bonds not exceeding 10% of the outstanding Convertible Bonds as at the date of passing the Repurchase Resolution. For this purpose, “shares” is defined in the Listing Rules to mean shares of all classes and securities which carry a right to subscribe or purchase shares.

## **1. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 600,780,529 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 60,078,052 Shares.

## **2. CONVERTIBLE BONDS**

As at the Latest Practicable Date, there was an aggregate principal amount of HK\$750,000,000 of the Convertible Bonds outstanding.

Subject to the passing of the Ordinary Resolution No. 5D at the Annual General Meeting and on the basis that none of the outstanding Convertible Bonds are exercised or redeemed, the Company would be allowed under the CB Repurchase Mandate to repurchase a maximum principal amount of HK\$75,000,000 of the Convertible Bonds.

## **3. REASONS FOR REPURCHASE**

Trading conditions on the Stock Exchange have become volatile in recent years and, whilst it is not possible to anticipate in advance those circumstances in which the Directors might think it appropriate to repurchase the Shares, Shares would only be repurchased in circumstances where the Directors consider that the repurchase would be in the best interests of the Company and its shareholders and lead to an enhancement of earnings per share of the Company.

The Convertible Bonds would only be repurchased in circumstances where the Directors consider that the repurchase would be in the best interests of the Company and its shareholders.

## **4. FUNDING OF REPURCHASE**

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its articles of association and the Companies Ordinance. The Companies Ordinance provides that the amount of capital repaid in connection with a repurchase of Shares may only be paid from the distributable profits of the Company, the proceeds of a new issue of shares made for the purpose of the repurchases and, in the case of shares issued at a premium, such extent of the share premium allowable under the Companies Ordinance.

In respect of repurchasing Convertible Bonds, the Company may also only apply funds legally available for such purpose in accordance with its articles of association, the Companies Ordinance and the terms and conditions of the Convertible Bonds.



There might be an adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the Company's latest published financial statement as at 31 March, 2007) in the event that the Repurchase Proposal and/or CB Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Proposal and/or CB Repurchase Mandate 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.

## 5. SHARE AND CONVERTIBLE BOND PRICES

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

	Highest \$	Lowest \$
<b>2006</b>		
July	4.80	4.60
August	4.84	4.53
September	4.70	4.17
October	4.40	4.20
November	4.50	4.23
December	4.48	4.20
<b>2007</b>		
January	4.45	4.25
February	4.76	4.38
March	4.60	4.40
April	4.70	4.38
May	4.60	4.39
June	4.60	4.41
July (up to the Latest Practicable Date)	4.85	4.56

There has been no trading of the Convertible Bonds on the Stock Exchange during the period from 1 July, 2006 to the Latest Practicable Date.

## 6. PREVIOUS REPURCHASE BY THE COMPANY

During the previous six months preceding the Latest Practicable Date, the Company has not repurchased any Shares or Convertible Bonds (whether on the Stock Exchange or otherwise).

## 7. REPURCHASE OF THE CONVERTIBLE BONDS

The Company proposes that an ordinary resolution be passed at the Annual General Meeting to authorise the Directors to exercise the powers of the Company to repurchase not exceeding 10% of the outstanding principal amount of the Convertible Bonds as at the date of passing such resolution at such price as the Directors from time to time determine during the period from the date of the Annual General Meeting up to the next following annual general meeting of the Company. As at the Latest Practicable Date, there was an aggregate principal amount of HK\$750,000,000 of the Convertible Bonds outstanding. The proposed mandate to authorise the Directors to exercise the

powers of the Company to repurchase the Convertible Bonds will allow the Company to reduce the potentially dilutive effects on shareholding upon conversion and (depending on the price at which the Convertible Bonds are acquired) may allow the Company to profit from repurchases. Accordingly, the Directors consider that the proposed mandate to authorise the Directors to exercise the powers of the Company to repurchase the Convertible Bonds is in the best interests of the Company and its shareholders as a whole. The Convertible Bonds would only be repurchased in circumstances where the Directors consider that the repurchase would be in the best interests of the Company and its shareholders.

## **8. UNDERTAKINGS OF THE DIRECTORS**

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Resolution and the CB Repurchase Mandate and in accordance with the Listing Rules and the Companies Ordinance, and in accordance with the regulations set out in the articles of association of the Company.

## **9. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS**

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) of the Company 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.

As far as the Company is aware, no connected person (as defined in the Listing Rules) and none of the Directors and their respective associates holds any Convertible Bonds. Accordingly, none of the Directors and, to the best of their knowledge, having made all reasonable enquiries, none of their respective associates, have any present intention, if the CB Repurchase Mandate is approved by the shareholders, to sell any Convertible Bonds (if any) to the Company.

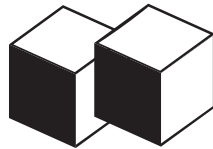
Similarly, no connected person (as defined in the Listing Rules) has notified the Company that they have a present intention to sell any Convertible Bonds (if any) to the Company if the CB Repurchase Mandate is approved by the shareholders and neither have any of the connected persons undertaken not to sell any Convertible Bonds (if any) to the Company in the event the CB Repurchase Mandate is approved by the shareholders.

## **10. EFFECT OF TAKEOVERS CODE**

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 the Takeovers 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 Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, Mr. Yam Cheong Hung and his associates (as defined in the Listing Rules) together hold approximately 49.61% of the issued share capital of the Company, and will together hold approximately 55.12% of the issued share capital of the Company upon exercise in full of the Repurchase Resolution. As a result, Mr. Yam Cheong Hung and his associates may become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. The Directors do not have present intention to repurchase Shares up to an amount which would result in Mr. Yam Cheong Hung and his associates becomes obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code in this respect.

As the repurchase of Convertible Bonds do not affect the issued share capital of the Company prior to their conversion, the Directors are not aware of any direct consequences of any purchases of the Convertible Bonds which will arise under the Takeovers Code.



**HUNG HING**

# **HUNG HING PRINTING GROUP LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of the shareholders of the Company will be held at Aberdeen Room Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Friday, 31 August, 2007 at 4:00 p.m. for the following purposes:

1. To receive and consider the audited financial statements and the reports of the directors and the auditors for the financial year ended 31 March, 2007.
2. To declare a final dividend for the year ended 31 March, 2007.
3. To re-elect directors and authorise the directors to fix their remuneration.
4. To appoint auditors and to authorize the directors to fix their remuneration.
5. As special business, to consider and if thought fit, pass with or without amendments the following resolutions as Ordinary Resolutions:

**A. “THAT:**

- (a) Subject to sub-paragraph (c) below, the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with shares of HK\$0.10 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 allotment of such shares to be allotted and issued be and is hereby generally and unconditionally approved;
- (b) the approval in sub-paragraph (a) above shall authorize the directors of the Company during the Relevant Period to make or grant offers, agreements and options which would or might require the allotment of such shares 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) or issued by the directors of the Company pursuant to the approval in sub-paragraph (a) above, otherwise than pursuant to (1) a Rights Issue; (2) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company; (3) the exercise of any options granted 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; and (4) an issue of shares as scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on the shares of the Company in accordance with the articles of association of the

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## NOTICE OF ANNUAL GENERAL MEETING

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Company from time to time, 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, 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 revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and
- (iii) 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 or any applicable law of Hong Kong to be held.

“Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to 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 may deem necessary or expedient in relation to overseas shareholders or fractional entitlements and further subject to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong applicable to the Company).”

**B. “THAT:**

- (a) subject to sub-paragraph (b) below, the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to purchase shares of HK\$0.10 each in the capital of the Company be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of share capital of the Company to be purchased or agreed conditionally or unconditionally to be purchased by the Company pursuant to the approval in sub-paragraph (a) above 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
- (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 revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

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## NOTICE OF ANNUAL GENERAL MEETING

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- (iii) 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 or any applicable law of Hong Kong to be held.”

C. “**THAT** conditional upon resolution 5A and resolution 5B set out in the notice convening this meeting of which this resolution forms part being passed, the aggregate nominal amount of the shares of the Company which are purchased by the Company after the date of passing this resolution (up to a maximum of 10 per cent. of the aggregate nominal amount of the share capital of the Company as stated in resolution 5B set out in the notice convening this meeting of which this resolution forms part) shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to resolution 5A set out in the notice convening this meeting of which this resolution forms part.”

D. “**THAT**:

- (a) the exercise by the Directors of the Company during the Relevant Period of all powers of the Company to purchase the zero coupon convertible bonds due 2011 (issued in an aggregate principal amount of HK\$750,000,000 by a subsidiary of the Company on 29 March 2006), subject to and in accordance with all applicable laws and the requirements of the Rules governing the Listing of Securities on the Stock Exchange, be and is hereby generally and unconditionally approved;
- (b) the aggregate principal amount of the Convertible Bonds to be purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10 per cent. of the aggregate outstanding principal amount of the Convertible Bonds in issue as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (c) 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 revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and
- (iii) 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 or any applicable law of Hong Kong to be held.”

By Order of the Board  
**Tung Yu Bui**  
*Company Secretary*

Hong Kong, 31 July, 2007

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## NOTICE OF ANNUAL GENERAL MEETING

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**Notes:**

- (1) Any member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and on a poll vote on his behalf. A proxy need not be a member of the Company.
- (2) To be effective, the form of a proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited with the Company's Registrars, Tengis Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 48 hours before the time appointed for the holding of the meeting or adjourned meeting.
- (3) The Register of Members will be closed from Monday, 27 August, 2007 to Friday, 31 August, 2007 both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Registrars, Tengis Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Friday, 24 August, 2007.
- (4) The retiring Directors standing for re-election under item 3 are Mr. Yam Cheong Hung, Mr. Yum Chak Ming, Matthew and Dr. Chu Shu Ho, David.