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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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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 or transferred** all your shares in Alco Holdings Limited, you should at once hand this circular together with the enclosed form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**ALCO HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 328)**

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

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A notice convening the 2009 Annual General Meeting of Alco Holdings Limited to be held at Gloucester Room I, 3/F, The Excelsior Hong Kong, 281 Gloucester Road, Causeway Bay, Hong Kong, on Thursday, 27th August 2009 at 11:00 a.m. is appended to this circular.

If you do not propose to attend the Meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company Secretary at the Company's principal place of business in Hong Kong at 11th Floor, Zung Fu Industrial Building, 1067 King's Road, Quarry Bay, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the Meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the Meeting or at any adjourned meeting should you so wish.

27th July 2009

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## DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held on Thursday, 27th August 2009 at 11:00 a.m. and any adjournment thereof
“Benchmarked Price”	the price which is higher of: <ul style="list-style-type: none"><li>(i) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on the date of signing of the agreement to which the transaction relates; and</li><li>(ii) the average closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet for the five trading days immediately preceding the earlier of:<ul style="list-style-type: none"><li>(a) the date of signing of the agreement to which the transaction relates;</li><li>(b) the date on which the relevant transaction is announced; and</li><li>(c) the date on which the price of the Shares to be issued pursuant to the transaction is fixed.</li></ul></li></ul>
“Board”	the board of Directors
“Bye-laws”	the Bye-laws of the Company
“Companies Act”	the Companies Act 1981 of Bermuda
“Company”	Alco Holdings Limited, a company incorporated in Bermuda with limited liability and whose shares are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“General Mandates”	the Share Issue Mandate and the Share Repurchase Mandate (as defined in the Letter from the Chairman), approvals of which are to be sought at the AGM
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

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## DEFINITIONS

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“Latest Practicable Date”	21st July 2009, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Share(s)”	share(s) of par value HK\$0.10 each in the capital of the Company
“Share Buy Back Rules”	the relevant rules set out in the Listing Rules to regulate the repurchase by companies with primary listing of their own securities on the Stock Exchange
“Shareholder(s)”	registered holder(s) of Share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	Hong Kong Codes on Takeovers and Mergers

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## LETTER FROM THE CHAIRMAN

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### **ALCO HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 328)**

*Executive Directors:*

Mr LEUNG Kai Ching, Kimen (*Chairman*)  
Mr LEUNG Wai Sing, Wilson (*Vice-Chairman*)  
Mr KUOK Kun Man, Andrew

*Independent Non-executive Directors:*

Mr WONG Po Yan, G.B.M., J.P.  
The Hon LI Wah Ming, Fred, S.B.S., J.P.  
Mr LAU Wang Yip, Derrick

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

*Principal place of business  
and head office:*

11th Floor  
Zung Fu Industrial Building  
1067 King's Road  
Quarry Bay  
Hong Kong

27th July 2009

*To the Shareholders*

Dear Sir or Madam,

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

#### **INTRODUCTION**

The purpose of this circular is to provide you with information on the resolutions relating to (i) re-election of Directors; and (ii) the grant of the General Mandates to issue and repurchase Shares at the AGM.

#### **RE-ELECTION OF DIRECTORS**

The Board currently consists of six Directors, namely Mr Leung Kai Ching, Kimen, Mr Leung Wai Sing, Wilson, Mr Kuok Kun Man, Andrew, Mr Wong Po Yan, Mr Li Wah Ming, Fred and Mr Lau Wang Yip, Derrick.

Pursuant to Bye-Law 87(1) of the existing Bye-laws, at each annual general meeting, one-third of the Directors for the time being (or if their number is not a multiple of three, then the number nearest to one third) shall retire from office by rotation provided that

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## LETTER FROM THE CHAIRMAN

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notwithstanding anything herein, the chairman of the Board shall not, whilst holding such office, be subject to such retirement by rotation. 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 among themselves) be determined by lot. A retiring Director shall be eligible for re-election. Brief biographical details, as at the Latest Practicable Date, of the retiring Directors are set out in Appendix I to this circular.

### **GENERAL MANDATE TO ISSUE SHARES**

At the AGM, an ordinary resolution will be proposed to grant to the Directors a general and unconditional mandate to exercise all the powers of the Company to allot, issue and deal with new Shares up to an amount not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of the relevant resolution (the “Share Issue Mandate”) provided that, in any event, any Shares to be allotted and issued pursuant to this general mandate shall not be allotted and issued at a discount of 5% or more to the Benchmarked Price of the Shares. As at the Latest Practicable Date, the issued share capital of the Company comprised 556,661,720 fully paid-up Shares. Assuming that there is no issuance of Shares or any repurchase of Shares from the Latest Practicable Date up to the date of the passing of the relevant resolution, up to a maximum of 111,332,344 Shares representing 20% of the issued share capital of the Company as at the date of passing of the relevant resolution may be issued.

### **GENERAL MANDATE TO REPURCHASE SHARES**

At the AGM, an ordinary resolution will also be proposed to grant to the Directors a general mandate to exercise the powers of the Company to repurchase Shares with an aggregate nominal amount not exceeding 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 (the “Share Repurchase Mandate”). An explanatory statement as required under the Share Buy Back Rules, giving certain information regarding the Share Repurchase Mandate, is set out in the Appendix II to this circular.

### **RECOMMENDATION**

The Directors consider that the re-election of Directors, the grant of the General Mandates to issue and repurchase Shares at the AGM are all in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend Shareholders to vote in favour of the resolutions to be proposed at the AGM for the approval of the above matters.

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## LETTER FROM THE CHAIRMAN

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### ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in Appendices I, II and III to this circular.

Yours faithfully  
On behalf of the Board  
**LEUNG Kai Ching, Kimen**  
*Chairman*

Details of the Directors proposed to be re-elected at the forthcoming AGM are set out as follows:

#### EXECUTIVE DIRECTOR

**Mr LEUNG Wai Sing, Wilson**, aged 49, joined the Group in 1985. He is the Chief Executive Officer of the Group, and takes full charge of the Group's overall strategy and operations. He holds a master of science degree in electrical engineering from Queen's University, Canada.

Save as disclosed above, Mr Leung did not hold any directorships in other listed public companies in the last three years.

Mr Leung is the son of Mr Leung Kai Ching, Kimen, the Chairman of the Company. Mr Leung has personal interest in 44,640,000 Shares within the meaning of Part XV of the Securities and Futures Ordinance. In addition, Mr Leung also has family interest in 187,019,800 Shares owned by Kimen Leung UT Limited. Kimen Leung UT Limited is the trustee of The Kimen Leung Unit Trust which is beneficially owned by The Kimen Leung Family Trust. Mr Leung and other family members of Mr Leung Kai Ching, Kimen are the beneficiaries of The Kimen Leung Family Trust which is a discretionary trust.

Mr Leung has entered into a service contract with the Company for a fixed term of three years commencing on 1st April 2007 and shall continue thereafter unless terminated by either party giving to the other not less than six months' written notice. He is entitled to an annual salary of HK\$4,389,000 and a discretionary performance bonus. The emoluments of Directors are determined by the remuneration committee with reference to the remuneration benchmark in the market.

On 26th August 1999, the Listing Committee of the Stock Exchange (the "Listing Committee") publicly censured the Company and the then Board of Directors including Mr Leung, regarding certain connected transactions (the "Connected Transactions") whereby the Company was involved in a series of substantial transactions with the Venturer group of companies (the "Venturer Group") during the period from November 1992 to June 1998.

The Listing Committee has concluded that the Connected Transactions breached Rule 14.23(2), Rule 14.26 and Rule 14.29 of the then Listing Rules and breached Paragraphs 2(3) and 3(1) of the Listing Agreement. The Listing Committee, among other things, has found that the Company failed to fully disclose all the Connected Transactions in the Company's announcement of 25th March 1998 which was made "By Order of the Board" and thus necessitated a further announcement of 15th May 1998. The Listing Committee has also found that in breach of the Listing Agreement and the Listing Rules, the Directors including Mr Leung breached their respective undertakings whereby they undertook to comply to the best of their abilities with the Listing Rules, and to use their best endeavours to procure that the Company would so comply. Further in failing to fulfil their fiduciary duties and duties of skill, care and diligence to a standard commensurate with the standard established by Hong Kong law, the Directors including Mr Leung failed to comply with Rule 3.08 and, in particular, Rule 3.08(f) of the then Listing Rules.

Save as disclosed above, there are no other matters concerning Mr Leung that need to be brought to the attention of the Shareholders and there is no other information to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules.

**Mr KUOK Kun Man, Andrew**, aged 55, joined the Group in 1990 and is the Company Secretary and Director of the Group. He holds a master degree in business administration and has more than 32 years of experience in finance and accounting with multinational organizations.

Save as disclosed above, Mr Kuok did not hold any directorships in other listed public companies in the last three years.

Mr Kuok does not have any relationship with other Directors, senior management, substantial or controlling Shareholders of the Company. Mr Kuok has personal interest in 1,202,000 Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Mr Kuok has entered into a service contract with the Company for a fixed term of three years commencing on 1st April 2007 and shall continue thereafter unless terminated by either party giving to the other not less than six months' written notice. He is entitled to an annual salary of HK\$1,847,000 and a discretionary performance bonus. The emoluments of Directors are determined by the remuneration committee with reference to the remuneration benchmark in the market.

On 26th August 1999, the Listing Committee of the Stock Exchange (the "Listing Committee") publicly censured the Company and the then Board of Directors including Mr Kuok, regarding certain connected transactions (the "Connected Transactions") whereby the Company was involved in a series of substantial transactions with the Venturer group of companies (the "Venturer Group") during the period from November 1992 to June 1998.

The Listing Committee has concluded that the Connected Transactions breached Rule 14.23(2), Rule 14.26 and Rule 14.29 of the then Listing Rules and breached Paragraphs 2(3) and 3(1) of the Listing Agreement. The Listing Committee, among other things, has found that the Company failed to fully disclose all the Connected Transactions in the Company's announcement of 25th March 1998 which was made "By Order of the Board" and thus necessitated a further announcement of 15th May 1998. The Listing Committee has also found that in breach of the Listing Agreement and the Listing Rules, the Directors including Mr Kuok breached their respective undertakings whereby they undertook to comply to the best of their abilities with the Listing Rules, and to use their best endeavours to procure that the Company would so comply. Further in failing to fulfil their fiduciary duties and duties of skill, care and diligence to a standard commensurate with the standard established by Hong Kong law, the Directors including Mr Kuok failed to comply with Rule 3.08 and, in particular, Rule 3.08(f) of the then Listing Rules.

Save as disclosed above, there are no other matters concerning Mr Kuok that need to be brought to the attention of the Shareholders and there is no other information to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules.

This Appendix serves as an explanatory statement, as required by the Share Buy Back Rules, to provide Shareholders with all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the granting of the Share Repurchase Mandate.

### **1. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 556,661,720 fully paid-up Shares. Subject to the passing of the resolution at the AGM granting the Share Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the AGM, the Company would be allowed to repurchase a maximum of 55,666,172 Shares representing 10% of the Shares in issue as at the date of the AGM.

The Share Repurchase Mandate may continue in force until the earliest of: (i) the conclusion of the next annual general meeting of the Company for the year of 2010; (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; and (iii) the revocation or variation of the Share Repurchase Mandate by ordinary resolution of the Shareholders in general meeting.

### **2. REASONS FOR REPURCHASES**

The Directors consider that the Share 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 of the Company and/or its earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

### **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, the laws of Bermuda and any other applicable laws. The laws of Bermuda provide that the amount of capital repaid in connection with a share repurchase may only be paid out of the funds of the Company otherwise available for dividend, or distribution or out of the proceeds of a fresh issue of Shares made for the purposes of the repurchase and the premium, if any, payable on the repurchase, may only be provided for out of the funds of the Company which would otherwise be available for dividend or distribution or out of the share premium account of the Company before the Shares are repurchased. It is envisaged that the Company would derive the funds from such sources.

There might be an adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited consolidated accounts contained in the annual report for the year ended 31st March 2009 in the event that the proposed repurchases of shares were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Share 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.

#### 4. SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous twelve months and in the current month up to the Latest Practicable Date were as follows:–

Month	Highest Traded price <i>HK\$</i>	Lowest Traded price <i>HK\$</i>
<b>2008</b>		
July	2.10	1.81
August	1.98	1.60
September	1.62	1.24
October	1.27	0.63
November	0.92	0.73
December	1.56	0.90
<b>2009</b>		
January	1.44	1.25
February	1.35	1.23
March	1.23	0.98
April	1.69	1.22
May	1.83	1.48
June	1.96	1.73
July (up to the Latest Practicable Date)	2.52	1.83

#### 5. UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Share Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Bermuda and as permitted by the regulations set out in the memorandum of association and Bye-laws of the Company.

#### 6. DISCLOSURE OF INTERESTS

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

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

**7. EFFECT OF TAKEOVERS CODE**

If, on the exercise of the power to repurchase Shares pursuant to the Share 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 Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert, depending on the level of such increase, could obtain or consolidate control of the Company and may 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. Kimen Leung UT Limited is a company incorporated in the British Virgin Islands as the trustee of the Kimen Leung Unit Trust which is beneficially owned by The Kimen Leung Family Trust. Mr Leung Wai Sing, Wilson and other family members of Mr Leung Kai Ching, Kimen are the beneficiaries of The Kimen Leung Family Trust which is a discretionary trust. As at the Latest Practicable Date, Kimen Leung UT Limited held 187,019,800 Shares, approximately 33.60% of the issued share capital of the Company. In the event that the Directors shall exercise in full the power to repurchase Shares of the Company in accordance with the Share Repurchase Mandate and if there is no other change in the issued share capital of the Company from the Latest Practicable Date to the date of the AGM, the interest of Kimen Leung UT Limited would be increased to approximately 37.33% of the issued share capital of the Company. As a result, Kimen Leung UT Limited would be obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. However, the Directors do not have the intention to exercise the power to repurchase Shares of the Company to such extent which would make the substantial Shareholder or any Shareholder or group of Shareholders obliged to make a mandatory offer under Rule 26 of the Takeovers Code in this respect.

In the event that the Share Repurchase Mandate is exercised in full, the number of Shares held by the public would not fall below 25% of the issued share capital of the Company.

**8. SHARE REPURCHASE MADE BY THE COMPANY**

The Company has not repurchased any Shares on the Stock Exchange in the six months preceding the Latest Practicable Date.

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### **APPENDIX III    PROCEDURE OF VOTING BY POLL AT GENERAL MEETING**

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Pursuant to the Bye-laws of the Company, the procedures of voting by poll on the resolutions to be put forth for Shareholders' approval at the AGM are as follows:

According to Bye-law 66, at any general meeting, a resolution put to the vote of a meeting shall be decided on a show of hands unless a poll is required under the Listing Rules or (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (a) by the chairman of such meeting; or
- (b) 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
- (c) by a 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
- (d) by a 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 Shares conferring that right.

A demand by a person as proxy for a Shareholder or in the case of a Shareholder being a corporation by its duly authorised representative shall be deemed to be the same as a demand by a Shareholder.

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## NOTICE OF ANNUAL GENERAL MEETING

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### ALCO HOLDINGS LIMITED

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 328)**

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of Alco Holdings Limited will be held at Gloucester Room I, 3/F, The Excelsior Hong Kong, 281 Gloucester Road, Causeway Bay, Hong Kong, on Thursday, 27th August 2009 at 11:00 a.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements and the reports of the directors and the auditor for the year ended 31st March 2009;
2. To declare a final dividend for the year ended 31st March 2009;
3. To re-elect Directors and to authorize the Board to fix their remuneration;
4. To appoint Auditor and to authorize the Board to fix the Auditor's remuneration;

#### **ORDINARY RESOLUTIONS**

5. As special business, to consider and, if thought fit, pass the following resolution as an Ordinary Resolution:

**“THAT:**

- (a) subject to paragraph (c) of this resolution, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.10 each in the capital of the Company (“Shares”) and to make or grant offers, agreements and options 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 authorize the Directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power during or after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors of the Company pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to:
  - (i) a Rights Issue (as hereinafter defined); or

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## NOTICE OF ANNUAL GENERAL MEETING

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- (ii) an issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants or other securities issued by the Company as at the date of this resolution carrying a right to subscribe for or purchase Shares; or
- (iii) an issue of Shares upon the exercise of the subscription rights under the share option scheme of the Company,

shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of this resolution, provided that any Shares to be allotted and issued pursuant to this general mandate shall not be allotted and issued at a discount of 5% or more to the Benchmarked Price (as hereinafter defined) of the Shares, and the said approval shall be limited accordingly; and

- (d) for the purposes of this resolution:

**“Relevant Period”** means the period from the date of the passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next Annual General Meeting of the Company;
- (ii) the expiration of the period within which the next Annual General Meeting of the Company is required by the Bye-laws of the Company or any applicable law 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.

**“Rights Issue”** means an offer of Shares open for a period fixed by the Directors of the Company to holders of Shares 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 exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in any territory outside Hong Kong).

**“Benchmarked Price”** shall be a price which is the higher of:

- (i) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on the date of signing of the agreement to which the transaction relates; and
- (ii) the average closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet for the five trading days immediately preceding the earlier of:

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## NOTICE OF ANNUAL GENERAL MEETING

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- (a) the date of signing of the agreement to which the transaction relates;
  - (b) the date on which the relevant transaction is announced; and
  - (c) the date on which the price of the Shares to be issued pursuant to the transaction is fixed.”
6. As special business, to consider and, if thought fit, pass the following resolution as an Ordinary Resolution:

**“THAT:**

- (a) the Directors be and are hereby granted an unconditional general mandate to repurchase on The Stock Exchange of Hong Kong Limited (“Stock Exchange”), or any other stock exchange on which the shares of HK\$0.10 each in the capital of the Company (“Shares”) may be listed and recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, securities in the Company and that the exercise by the Directors of all powers of the Company to repurchase the Shares during the Relevant Period (as hereinafter defined), subject to and in accordance with all applicable laws and the requirements of the Listing Rules or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the Shares which may be repurchased by the Company pursuant to the approval in paragraph (a) of this resolution shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this resolution; and
- (c) for the purpose of this resolution:

**“Relevant Period”** means the period from the date of the passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next Annual General Meeting of the Company;
- (ii) the expiration of the period within which the next Annual General Meeting of the Company is required by the Bye-laws of the Company or any applicable law 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.”

By Order of the Board  
**LEUNG Kai Ching, Kimen**  
*Chairman*

Hong Kong, 27th July 2009

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## NOTICE OF ANNUAL GENERAL MEETING

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*Notes:*

1. A member entitled to attend and vote at the meeting is entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a member of the Company. Proxy forms must be lodged with the Company Secretary at the Company's principal place of business in Hong Kong at 11th Floor, Zung Fu Industrial Building, 1067 King's Road, Quarry Bay, Hong Kong not less than 48 hours before the time appointed for holding the meeting.
2. The Transfer Books and Register of Members of the Company will be closed from Tuesday, 25th August 2009 to Thursday, 27th August 2009, both days inclusive, during which period no transfer of shares will be effected. In order to rank for the proposed final dividend, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's Registrars, Tricor Abacus Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 24th August 2009.
3. In the case of joint holders of a share, any one of such joint holders may vote, either in person or by proxy, in respect of such shares as if he/she were solely entitled thereto but if more than one of such joint holders are present at the above meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the Register of Members of the Company in respect of the joint holding.