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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 Next Media Limited, you should at once hand this circular and the accompanying 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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**NEXTmedia**

**NEXT MEDIA LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 00282)**

**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 Annual General Meeting of Next Media Limited to be held at the Conference Room on the 1st Floor, 3 Chun Kwong Street, Tseung Kwan O Industrial Estate, Tseung Kwan O, New Territories, Hong Kong on Monday, 18 July 2011 at 3:00 p.m. is set out on pages 12 to 16 of this circular.

Whether or not you are able to attend the Annual General Meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the registered office of Next Media Limited at 1st Floor, 8 Chun Ying Street, Tseung Kwan O Industrial Estate, Tseung Kwan O, New Territories, Hong Kong as soon as possible and, in any event, not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the Annual General Meeting or any adjournment thereof should you so wish.

22 June 2011

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## DEFINITIONS

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*In this circular and the appendices to it, unless the context otherwise requires, the following expressions have the following meanings:*

“ADPDL”	Apple Daily Publication Development Limited, a private company incorporated in Hong Kong with limited liability and a subsidiary of the Company
“AGM Notice”	the notice convening the Annual General Meeting, which is set out on pages 12 to 16 of this circular
“Annual General Meeting”	the annual general meeting of the Company to be held on Monday, 18 July 2011 at 3:00 p.m.
“Articles of Association”	the articles of association of the Company as amended, supplemented or modified from time to time
“Board”	the board of directors of the Company
“Company”	Next Media Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
“Companies Ordinance”	the Companies Ordinance (Chapter 32), as amended from time to time
“Controlling Shareholder”	Mr. Lai Chee Ying, Jimmy who held 1,786,133,165 Shares, representing approximately 74.04% of the total issued Shares of the Company, as at the Latest Practicable Date
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Group Company”	a member of the Group
“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
“Latest Practicable Date”	16 June 2011, the latest practicable date for ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

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## DEFINITIONS

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“Repurchase Proposal”	the proposed general mandate to the Directors to exercise the powers of the Company to repurchase during the period as set out in the Repurchase Resolution 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
“Remuneration Committee”	the remuneration committee established by the Board on 15 March 2005 with specific terms of reference with primary responsibility for reviewing and developing all policies appertaining to the remuneration of the Directors and members of senior management
“Repurchase Resolution”	the proposed ordinary resolution as referred to in the AGM Notice
“Securities and Futures Ordinance”	the Securities and Futures Ordinance (Chapter 571), as amended from time to time
“Share(s)”	ordinary share(s) of HK\$1.00 each in the capital of the Company, or of such other nominal amount as shall result from a sub-division, consolidation, reclassification or reconstruction of the share capital of the Company from time to time
“Shareholder(s)”	holder(s) of Share(s)
“Share Subscription and Financing Plan” or “Plan”	a share subscription and financing plan adopted on 29 October 2007 by the Board whereby selected eligible persons (as defined in the Plan) may be invited to apply for new Shares and offered the opportunity to finance their subscription by way of Plan loans
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent

# **NEXTmedia**

## **NEXT MEDIA LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 00282)**

*Executive Directors:*

Lai Chee Ying, Jimmy (*Chairman*)

Chu Wah Hui (*Chief Executive Officer*)

Cheung Ka Sing, Cassian (*Co-Chief Executive Officer*)

Ting Ka Yu, Stephen (*Chief Operating Officer and  
Chief Financial Officer*)

Ip Yut Kin

*Registered office:*

1st Floor

8 Chun Ying Street

Tseung Kwan O Industrial Estate

Tseung Kwan O

New Territories

Hong Kong

*Independent Non-Executive Directors:*

Fok Kwong Hang, Terry

Wong Chi Hong, Frank

Lee Ka Yam, Danny

22 June 2011

*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 give you notice of the Annual General Meeting to be held on Monday, 18 July 2011 and to provide you with information regarding ordinary resolutions to be proposed at the Annual General Meeting relating to (i) the re-election of Directors and (ii) the granting to the Directors of general mandates to allot and issue and repurchase Shares.

**RE-ELECTION OF DIRECTORS**

Pursuant to articles 84 and 85 of the Articles of Association, at every annual general meeting, one-third of the relevant number of Directors or, if their number is not a multiple of three, then the number nearest to but not exceeding one-third, shall retire from office.

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## LETTER FROM THE BOARD

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Accordingly, Mr. Ting Ka Yu, Stephen and Mr. Ip Yut Kin will retire from office and, being eligible, offer themselves for re-election at the Annual General Meeting. Biographical details of such Directors are set out in Appendix I of this circular.

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

At the annual general meeting of the Company held on 19 July 2010, a general mandate was granted to the Directors to exercise the power of the Company to allot and issue Shares (and securities convertible into Shares). This mandate will expire at the conclusion of the Annual General Meeting. Accordingly, an ordinary resolution will be proposed at the Annual General Meeting to grant to the Directors a general mandate to allot and issue 482,499,376 Shares (and securities convertible into Shares) representing an aggregate nominal amount not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of the resolution. This 20% limit will not apply to Shares that may be issued pursuant to, inter alia, (i) a rights issue, (ii) scrip dividend extended to all Shareholders and (iii) the exercise of subscription rights under the share option schemes of the Company. Such general mandate (if granted) will continue in force until the conclusion of the next general meeting of the Company to be held in 2012 or the revocation or variation of the authority given under the resolution by the Company, whichever is the earlier.

No invitations were made and accepted during the financial year ended 31 March 2011 under the Share Subscription and Financing Plan. A total of 2,254,000 Shares are to be issued under a specific mandate granted to the Directors at an extraordinary general meeting of the Company held on 14 January 2008. A total of 38,514,000 Shares are to be issued under the general mandate granted to the Directors at the annual general meeting of the Company held on 30 July 2007. If new invitations under the Share Subscription and Financing Plan are made and accepted in the financial year ending 31 March 2012, the new Shares under such invitations will be issued under the general mandate (if granted) to be granted at the Annual General Meeting.

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

At the annual general meeting of the Company held on 19 July 2010, a general mandate was granted to the Directors to exercise the powers of the Company to repurchase Shares representing up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company. This mandate will expire at the conclusion of the Annual General Meeting. Accordingly, the Repurchase Resolution will be proposed at the Annual General Meeting to grant to the Directors a general mandate to repurchase 241,249,688 Shares representing 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the Repurchase Resolution. Such general mandate (if granted) will continue in force until the conclusion of the next general meeting of the Company to be held in 2012 or the revocation or variation of the authority given under the resolution by the Company, whichever is the earlier. In accordance with the rules regulating the repurchase of securities on the Stock Exchange, an explanatory statement providing the requisite information relating to the Repurchase Proposal is set out in Appendix II of this circular.

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## LETTER FROM THE BOARD

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### EXTENSION OF SHARE ISSUE MANDATE

Subject to the passing at the Annual General Meeting of the Repurchase Resolution and the proposed ordinary resolution regarding the general mandate to issue Shares, an ordinary resolution will be proposed at the Annual General Meeting to approve the addition to the general mandate to allot and issue new Shares (as referred to above) those number of Shares that may be repurchased by the Company under the Repurchase Resolution.

### ANNUAL GENERAL MEETING

The AGM Notice is set out on pages 12 to 16 of this circular. Ordinary resolutions in respect of the re-election of the Directors, the general mandates to issue securities and repurchase Shares will be proposed at the Annual General Meeting.

A form of proxy for use at the Annual General Meeting is enclosed with this circular. Whether or not you are able to attend the Annual General Meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the registered office of the Company at 1st Floor, 8 Chun Ying Street, Tseung Kwan O Industrial Estate, Tseung Kwan O, New Territories, Hong Kong as soon as possible and, in any event, not less than 48 hours before the time appointed for the holding of the Annual General 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 Annual General Meeting or any adjournment thereof should you so wish.

### VOTING BY POLL

Pursuant to rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. The Chairman of the Annual General Meeting will therefore demand voting on all resolutions set out in the AGM Notice be taken by way of poll pursuant to article 61 of the Articles of Association.

On a poll, every Shareholder present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy shall have one vote for each Share registered in his name in the register. A Shareholder entitled to more than one vote is under no obligation to cast all his votes in the same way.

### RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the general mandate to allot and issue securities and the Repurchase Proposal are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend all Shareholders to vote in favour of all of the ordinary resolutions to be proposed as special business at the Annual General Meeting.

The Controlling Shareholder has indicated that he intends to vote in favour of all of the ordinary resolutions to be proposed as special business at the Annual General Meeting in respect of his shareholdings in the Company.

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## LETTER FROM THE BOARD

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### RESPONSIBILITY STATEMENT

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

### GENERAL INFORMATION

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

Yours faithfully,  
By order of the Board  
**Lai Chee Ying, Jimmy**  
*Chairman*



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## APPENDIX I     DETAILS OF DIRECTORS STANDING FOR RE-ELECTION

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**Pursuant to articles 84 and 85, Mr. Ting Ka Yu, Stephen and Mr. Ip Yut Kin shall retire at the Annual General Meeting and, being eligible, offer themselves for re-election at the Annual General Meeting. Their biographical details are as follows:**

**Mr. Ting Ka Yu, Stephen**, aged 52, an Executive Director of the Company since October 1999, is currently the Group's Chief Operating Officer and Chief Financial Officer. Mr. Ting is responsible for day-to-day management and operations of the Group. Prior to joining the Group in December 1997, Mr. Ting worked with a leading audit firm in both Hong Kong and Australia. He also held senior financial and management positions with a variety of leading companies and listed groups. The holder of a Bachelor of Economics degree from Macquarie University in Sydney, Australia, Mr. Ting is a member of the Institute of Chartered Accountants in Australia.

Other than in his capacity as an Executive Director and by virtue of his shareholding interests in the Company (details of which are described below), Mr. Ting is not related to and has no business relationship with the other Directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules) of the Company. Mr. Ting also did not have directorship held in other public companies in the last three years.

As at the Latest Practicable Date and as notified to the Company for the purposes of Part XV of the Securities and Futures Ordinance, Mr. Ting had a personal interest in 90,314 Shares and a derivative interest in respect of 2,812,000 Shares, representing approximately 0.003% and 0.117% of the issued share capital of the Company, respectively. Mr. Ting also had a personal interest in 108,344 ordinary shares of HK\$0.01 each in the capital of ADPDL, representing 1.000% of the current issued share capital of ADPDL.

Mr. Ting has a service contract with Next Media Management Services Limited, a wholly-owned subsidiary of the Company. Pursuant to his service contract, Mr. Ting is entitled to receive a monthly salary of HK\$198,020 on a 13-month basis and certain allowances. He is also entitled to a discretionary bonus pegged to performance. Such emoluments are determined by reference to job responsibilities, the Group's performance and profitability as well as remuneration benchmark in the industry. He is also entitled to receive a Director's fee per annum subject to the review by the Remuneration Committee and approval by the Board with reference to his responsibilities and prevailing market practices. Mr. Ting received emoluments including salaries and other benefits in the total amount of HK\$3,843,000 and a Director's fee of HK\$200,000 for the year ended 31 March 2011.

Save as disclosed above, there is no information relating to Mr. Ting which is required to be disclosed pursuant to Rule 13.51 of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders.

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## APPENDIX I      DETAILS OF DIRECTORS STANDING FOR RE-ELECTION

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**Mr. Ip Yut Kin**, aged 59, an Executive Director of the Company since November 2001. He is also currently the Chairman of *Taiwan Apple Daily* and *Taiwan Next Magazine* and he oversees the operations of these two publications. A graduate of the National Chengchi University of Taiwan with a Bachelor of Social Sciences (Journalism) degree, Mr. Ip has worked with many leading Hong Kong newspapers during his long journalistic career, which has spanned more than 30 years.

Other than in his capacity as an Executive Director and by virtue of his shareholding interests in the Company (details of which are described below), Mr. Ip is not related to and has no business relationship with the other Directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules) of the Company. Mr. Ip also did not hold any directorship in other public companies in the last three years.

As at the Latest Practicable Date and as notified to the Company for the purposes of Part XV of the Securities and Futures Ordinance, Mr. Ip had a personal interest and a family interest in a total of 12,830,377 Shares and a derivative interest in respect of 1,060,000 Shares, representing approximately 0.532% and 0.044% of the issued share capital of the Company respectively. Mr. Ip also had a personal interest in 216,688 ordinary shares of HK\$0.01 each of ADPDL, representing 2.000% of the current issued share capital of ADPDL.

Mr. Ip has a service contract with ADPDL, a subsidiary of the Company since 1 October 2002. Pursuant to his service contract, Mr. Ip is entitled to receive a monthly salary of HK\$176,200 on a 13-month basis and certain allowances such as housing and company car for his secondment to Taiwan. He is also entitled to a discretionary bonus pegged to performance. Such emoluments are determined by reference to job responsibilities, the Group's performance and profitability as well as remuneration benchmark in the industry. He is also entitled to receive a Director's fee per annum subject to the review by the Remuneration Committee and approval by the Board with reference to his responsibilities and prevailing market practices. Mr. Ip received emoluments including salaries and other benefits in the total amount of HK\$4,228,000 and a Director's fee of HK\$200,000 for the year ended 31 March 2011.

Save as disclosed above, there is no information relating to Mr. Ip which is required to be disclosed pursuant to Rule 13.51 of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders.

**This Appendix contains an explanatory statement, as required by the Listing Rules, to provide the requisite information to you for your consideration of the Repurchase Proposal. It also constitutes a memorandum as required under section 49BA(3) of the Companies Ordinance.**

## **1. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company consisted of 2,412,496,881 Shares. Subject to the passing of the Repurchase Resolution and on the basis that no other Shares are issued or repurchased between the Latest Practicable Date and the date of the approval of the Repurchase Proposal, the Company would be authorised under the Repurchase Resolution to repurchase a maximum of 241,249,688 Shares (representing not more than 10% of the issued share capital of the Company traded on the Stock Exchange as at the Latest Practicable Date).

## **2. REASONS FOR REPURCHASE**

The Directors believe that the Repurchase Proposal is in the best interests of the Company and the Shareholders. Repurchases of Shares may, depending on market conditions and funding arrangements at the time, lead to an enhancement of Shareholder value and will only be made when the Directors believe that such repurchase will benefit the Company and the Shareholders.

## **3. FUNDING OF REPURCHASE**

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Articles of Association, the Listing Rules and the laws of Hong Kong. The Companies Ordinance provides that a share repurchase may only be made out of the distributable profits of the Company and/or the proceeds of a new issue of Shares.

A material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements contained in the annual report of the Company for the year ended 31 March 2011, the most recent published audited financial statements of the Company) may occur in the event that the general mandate under the Repurchase Proposal is utilised in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the general mandate under the Repurchase Proposal to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or its 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 have been traded on the Stock Exchange during each of the previous twelve months prior to the Latest Practicable Date are as follows:

	Shares	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
June 2010	1.480	1.120
July 2010	1.210	1.070
August 2010	1.130	0.960
September 2010	1.120	0.960
October 2010	1.200	1.100
November 2010	1.180	1.040
December 2010	1.100	1.000
January 2011	1.270	1.060
February 2011	1.190	1.060
March 2011	1.270	0.960
April 2011	1.020	0.930
May 2011	1.000	0.920
June 2011 (up to the Latest Practicable Date)	0.980	0.860

#### 5. UNDERTAKING

The Directors have undertaken to the Stock Exchange that they will exercise the power of the Company to make repurchases pursuant to the Repurchase Proposal and in accordance with the Listing Rules and the laws of Hong Kong.

#### 6. TAKEOVERS CODE

If, on the exercise of the general mandate 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 rule 32 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 may, in certain circumstances, become obliged to make a mandatory offer in accordance with rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, the Controlling Shareholder held 1,786,133,165 Shares representing approximately 74.04% of the issued share capital of the Company. As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, the Controlling Shareholder and Madam Li Wan Kam, Teresa, who is the spouse of the Controlling Shareholder and is deemed to be interested in the Shares held by the Controlling Shareholder, are the only persons who are interested in 10% or more of the issued Shares.

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**APPENDIX II EXPLANATORY STATEMENT OF THE REPURCHASE PROPOSAL**

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In the event that the Directors exercise in full the power to repurchase Shares under the Repurchase Proposal, the shareholding of the Controlling Shareholder and the deemed interest of Madam Li Wan Kam, Teresa would be increased to approximately 82.26% of the issued share capital of the Company. The Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any repurchases made under the Repurchase Proposal. Having said that, the Directors have no intention to exercise the power to repurchase Shares to such an extent when the number of Shares in the hands of the public falling below the prescribed minimum percentage of 25%.

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

The Company did not repurchase any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

**8. MISCELLANEOUS**

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

No connected persons (as defined in the Listing Rules) of the Company have notified it of a present intention to sell any 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.

# **NEXTmedia**

## **NEXT MEDIA LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 00282)**

**NOTICE IS HEREBY GIVEN THAT** the Annual General Meeting of Next Media Limited (the “Company”) will be held at the Conference Room on the 1st Floor, 3 Chun Kwong Street, Tseung Kwan O Industrial Estate, Tseung Kwan O, New Territories, Hong Kong on Monday, 18 July 2011 at 3:00 p.m. for the purpose of transacting the following business:

### **Ordinary business**

1. To receive, consider and adopt the Reports of the Directors and the Auditor and the audited Financial Statements for the year ended 31 March 2011.
2. (a) To re-elect Mr. Ting Ka Yu, Stephen as an Executive Director of the Company.  
  
(b) To re-elect Mr. Ip Yut Kin as an Executive Director of the Company.
3. To approve a sum not exceeding HK\$3,000,000 to be paid to the Directors of the Company as fees of the Directors for the year ending 31 March 2012.
4. To re-appoint Deloitte Touche Tohmatsu as Auditor and to authorise the Directors to fix their remuneration.

### **Special business**

To consider and, if thought fit, pass with or without modification the following as ordinary resolutions:

5. **“THAT:**
  - (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all of the powers of the Company to allot and issue additional shares in the capital of the Company (including but not limited to the share subscription and financing plan of the Company adopted on 29 October 2007) and to make or grant offers, agreements and options (including warrants and securities convertible or exercisable into shares of the Company) which might require the exercise of such powers either during or after the Relevant Period be and is hereby generally and unconditionally approved;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) 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 pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
- (i) a Rights Issue (as hereinafter defined);
  - (ii) 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;
  - (iii) the exercise of the subscription rights under any option scheme or similar arrangement for the time being adopted (excluding the share subscription and financing plan of the Company adopted on 29 October 2007) for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; or
  - (iv) any scrip dividend or similar arrangement providing for the allotment of the shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association 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 the passing of this Resolution and the said approval shall be limited accordingly;

- (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 law or the articles of association of the Company to be held; and
- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the Company in general meeting; and

“Rights Issue” means an offer of shares in the Company, or an offer of warrants, options or other securities giving rights to subscribe for shares in the Company, open for a period fixed by the Directors to the 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, after making enquiry, may deem necessary or expedient in relation to fractional entitlements or having regard

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## NOTICE OF ANNUAL GENERAL MEETING

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to any legal restrictions under the laws of the relevant place, or the requirements of the relevant regulatory body, or any stock exchange in that place).”

6. **“THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all of the powers of the Company to repurchase shares in the capital of the Company, subject to and in accordance with all applicable laws and 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;
- (b) the aggregate nominal amount of shares of the Company which may be repurchased by the Directors pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of 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 law or the articles of association of the Company to be held; and
- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the Company in general meeting.”



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## NOTICE OF ANNUAL GENERAL MEETING

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7. “**THAT** conditional upon the passing of Resolutions Nos. 5 and 6 set out in the Notice of this Meeting, the aggregate nominal amount of shares of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to and in accordance with the mandate granted under Resolution No. 5 set out in the Notice of this Meeting be and is hereby increased and extended by adding the aggregate nominal amount of shares in the capital of the Company which may be repurchased by the Company pursuant to and in accordance with the mandate granted under Resolution No. 6 set out in the Notice of this Meeting provided that such amount of shares of the Company so repurchased shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this Resolution.”

By Order of the Board  
**Wong Shuk Ha, Cat**  
*Company Secretary*

Hong Kong, 22 June 2011

**Notes:**

1. Pursuant to the Listing Rules and the Articles of Association of the Company, any vote of member at a general meeting must be taken by poll.
2. Any member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies to attend and vote instead of such member in accordance with the Articles of Association of the Company. A proxy need not be a member of the Company.
3. In order to be valid, the form of proxy together with a power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be deposited at the registered office of the Company at 1st Floor, 8 Chun Ying Street, Tseung Kwan O Industrial Estate, Tseung Kwan O, New Territories, Hong Kong not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof.
4. The Register of Members of the Company will be closed from Friday, 15 July 2011 to Monday, 18 July 2011, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting of the Company, all transfers accompanied by the relevant share certificates must be lodged with the Company’s Share Registrars, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong, not later than 4:00 p.m. on Thursday, 14 July 2011.

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## NOTICE OF ANNUAL GENERAL MEETING

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5. In relation to Resolution No. 2 in this Notice, Mr. Ting Ka Yu, Stephen and Mr. Ip Yut Kin retire at the Annual General Meeting pursuant to the Company's Articles of Association and being eligible, offer themselves for re-election. The re-election of those Directors will be individually voted on by the shareholders. The biographical details and interests in the shares of the Company and its subsidiaries within the meanings of Part XV of the Securities and Futures Ordinance of those Directors who stand for re-election at the Annual General Meeting are set out in Appendix I herein.
6. In relation to Resolution No. 3 in this Notice, it is proposed that a sum not exceeding HK\$3,000,000 be paid as fees to the Directors of the Company, such sum to be divided between the Directors of the Company in such ways as may be determined by the Board of Directors. The Executive Directors of the Company are paid in accordance with their remuneration packages and in such sums as determined by the Board of Directors.
7. In relation to Resolution Nos. 5 and 7, the Directors wish to state that they have no immediate plan to issue any new shares in the Company. The general mandate is being sought from the shareholders in compliance with the Companies Ordinance and the Listing Rules.
8. In relation to Resolution No. 6, the Directors wish to state that they will exercise the powers conferred thereby to repurchase shares in the Company in circumstances which they deem appropriate for the benefit of the Company. The explanatory statement containing the information relating to the repurchase of shares, as required by the Listing Rules, is set out in Appendix II herein.