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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.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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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, 21 July 2008 at 11:00 a.m. is set out on pages 12 to 16 of this circular.

If you are not 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.

23 June 2008

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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, 21 July 2008 at 11:00 a.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
“Eligible Person”	any employee (whether full time or part time), executive or officer, director (including any executive and non-executive) of a Group Company, who holds salaried employment with a Group Company, who, in the sole discretion of the Board, has contributed or may contribute to the growth and development of the Group, but for the purpose of eligibility to apply for a Plan loan, excludes any director of a Group Company
“Group”	the Company and its subsidiaries
“Group Company”	a member of the Group

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## DEFINITIONS

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“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”	18 June 2008, 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
“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 Resolution No. 7 of 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)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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 may be invited to apply for new Shares and offered the opportunity to finance their subscription by way of Plan loans
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

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LETTER FROM THE BOARD

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**NEXTmedia**  
**NEXT MEDIA LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 00282)**

*Executive Directors:*

Lai Chee Ying, Jimmy

*(Chairman and Chief Executive Officer)*

Ting Ka Yu, Stephen

Ip Yut Kin

Tung Chuen Cheuk

*Registered office:*

1st Floor

8 Chun Ying Street

Tseung Kwan O Industrial Estate

Tseung Kwan O

New Territories

Hong Kong

*Independent Non-Executive Directors:*

Yeh V-Nee

Fok Kwong Hang, Terry

Kao Kuen, Charles

23 June 2008

*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, 21 July 2008 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 of the Company.

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## LETTER FROM THE BOARD

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### 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. Accordingly, Mr. Ting Ka Yu, Stephen and Mr. Fok Kwong Hang, Terry 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 30 July 2007, 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 Shares (and securities convertible into Shares) with 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, and (ii) the exercise of subscription rights under the share option schemes of the Company. As at the Latest Practicable Date, this 20% limit represents 482,499,376 Shares.

Invitations involving a total of 47,378,000 Shares were made and accepted during the financial year ended 31 March 2008 under the Share Subscription and Financing Plan. A total of 4,200,000 Shares (including 296,000 Shares in respect of which invitations have been forgone by an invitee) were 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 43,178,000 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 2009, the new Shares under such invitations will be issued under the general mandate (if granted) to be granted at the Annual General Meeting.

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## LETTER FROM THE BOARD

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### GENERAL MANDATE TO REPURCHASE SHARES

At the annual general meeting of the Company held on 30 July 2007, 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. 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.

### 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. A form of proxy for use at the Annual General Meeting is enclosed.

The Register of Members of the Company will be closed from Thursday, 17 July 2008 to Monday, 21 July 2008, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for the proposed final dividend and special dividend (which are described in the 2007/08 annual report of the Company) and to be eligible to attend and vote at the Annual General Meeting, 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 Wednesday, 16 July 2008.

### PROCEDURES FOR DEMANDING POLL

Pursuant to Article 61 of the Articles of Association, at any general meeting of the Company, a resolution put to the vote of the meeting shall be decided on a show of hands unless (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 by:

- (a) the chairman of the general meeting; or

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## LETTER FROM THE BOARD

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- (b) at least three Shareholders present in person or by proxy and entitled to vote; or
- (c) any Shareholder(s) present in person or by proxy and representing in aggregate not less than one-tenth of the total voting rights of all Shareholders having the right to attend and vote at the meeting; or
- (d) any Shareholder(s) present in person or by proxy and holding Shares conferring a right to attend and vote at the general meeting on which there have been paid up sums in the aggregate equal to not less than one-tenth of the total sum paid up on all Shares conferring that right; or
- (e) if required by the Listing Rules, by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five percent (5%) or more of the total voting rights at such meeting.

### 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.

### RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the general mandate to allot and issue Shares 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 holding of Shares.

Yours faithfully,  
By order of the Board  
**Ting Ka Yu, Stephen**  
*Director*



**Pursuant to Articles 84 and 85, Mr. Ting Ka Yu, Stephen and Mr. Fok Kwong Hang, Terry shall retire at the Annual General Meeting (being Directors retiring by rotation) 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 49, an executive Director of the Company since October 1999, is currently the Chief Operating Officer of the Group. Mr. Ting is responsible for day-to-day management and operations of the Group. He is also a member of the Remuneration Committee of the Company. 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 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 total 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 100,000 ordinary shares of HK\$0.01 each in the capital of ADPDL, representing 0.934% 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\$176,897.00 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\$4,299,499.00 and a Director's fee of HK\$230,000.00 for the year ended 31 March 2008.

Save as disclosed above, there is no information relating to Mr. Ting which is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders.

**Mr. Fok Kwong Hang, Terry**, aged 53, has been an independent non-executive Director of the Company since June 2000. He is also a member of each of the Audit Committee and Remuneration Committee of the Company. Mr. Fok holds both M.Sc. and MBA degrees from the University of Wisconsin, USA. He has over 20 years' experience in the securities industry, and he is currently the owner of T & F Equities Limited.

Other than in his capacity as an independent non-executive Director and by virtue of his shareholding interests in the Company (details of which are described below), Mr. Fok 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. Fok 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. Fok had a total personal interest in 1,500,000 Shares, representing approximately 0.062% of the issued share capital of the Company.

Mr. Fok does not have a service contract with the Company. He has been appointed as an independent non-executive Director for a fixed term expiring on 31 March 2009, subject to the requirements of the Articles of Association relating to the rotation and re-election of Directors. Mr. Fok is 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. Fok received a Director's fee of HK\$300,000.00 for the year ended 31 March 2008.

Save as disclosed above, there is no information relating to Mr. Fok which is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) 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 2008, 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 2007	2.820	2.500
July 2007	2.870	2.450
August 2007	2.550	2.000
September 2007	2.330	2.000
October 2007	2.670	2.130
November 2007	2.990	2.500
December 2007	3.050	2.700
January 2008	2.950	2.500
February 2008	3.400	2.860
March 2008	3.090	2.850
April 2008	3.300	2.800
May 2008	3.480	2.950
June 2008 (up to the Latest Practicable Date)	3.440	2.970

**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.

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. 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.

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## NOTICE OF ANNUAL GENERAL MEETING

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# **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, 21 July 2008 at 11:00 a.m. for the purpose of transacting the following business:–

### **Ordinary Business**

1. To receive, consider and adopt the Reports of the Directors and the Auditors and the audited Financial Statements for the year ended 31 March 2008.
2. To declare a final dividend and a special dividend.
3. To re-elect Directors.
4. To fix the remuneration of the Directors.
5. To re-appoint Deloitte Touche Tohmatsu as auditors 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:–

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 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

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## NOTICE OF ANNUAL GENERAL MEETING

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“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 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).”

7. **“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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8. “**THAT** conditional upon the passing of Resolutions Nos. 6 and 7 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. 6 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. 7 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, 23 June 2008

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## NOTICE OF ANNUAL GENERAL MEETING

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*Notes:*

1. 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.
2. 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.
3. The Register of Members of the Company will be closed from Thursday, 17 July 2008 to Monday, 21 July 2008, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend and special dividend and 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 Wednesday, 16 July 2008.
4. In relation to Resolution No. 3 in this Notice, Mr. Ting Ka Yu, Stephen and Mr. Fok Kwong Hang, Terry retire at the Annual General Meeting by rotation pursuant to Articles 84 and 85 of the Company's Articles of Association and being eligible, offer themselves for re-election. The re-election of those retiring Directors will be individually voted on by the shareholders.
5. The biographical details and interests in the shares of the Company within the meanings of Part XV of the Securities and Futures Ordinance of those retiring Directors who stand for re-election at the Annual General Meeting are set out in Appendix I of the circular dated 23 June 2008 of the Company (the "Circular").
6. In relation to Resolution No. 4 in this Notice, it is proposed that a sum not exceeding HK\$2,100,000.00 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. 6 and 8, the Directors wish to state that they have no immediate plans 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. 7, the Directors wish to state that they will exercise the powers conferred thereby to repurchase shares in circumstances which they deem appropriate for the benefit of the shareholders. The explanatory statement containing the information relating to the repurchase of shares, as required by the Listing Rules, is set out in Appendix II to the Circular.