

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 a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Lee & Man Paper Manufacturing Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee, or to the bank, licenced securities dealer or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.



理文造紙有限公司*

Lee & Man Paper Manufacturing Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2314)

**NOTICE OF ANNUAL GENERAL MEETING
PROPOSALS FOR GENERAL MANDATE TO ISSUE
AND REPURCHASE SHARES,
RE-ELECTION OF DIRECTORS
AND RENEWAL OF DIRECTOR'S SERVICE CONTRACT**

This circular includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited 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.

Notice convening the AGM (as defined herein) of Lee & Man Paper Manufacturing Limited to be held on Monday, 1 September 2008 at 11:00 a.m. at Cypress Room, Lobby Level, InterContinental Hong Kong, 18 Salisbury Road, Tsim Sha Tsui, Kowloon, Hong Kong and is set out on pages 12 to 16 of this circular. Whether or not Shareholders are able to attend the AGM, they are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and deposit it with the Company's share registrar, Tricor Investor Services Ltd., at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM (or any adjournment thereof). Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the AGM (or any adjournment thereof) should they so desire.

* for identification purposes only

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DEFINITIONS

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

“AGM”	means the annual general meeting of the Company to be convened and held at Cypress Room, Lobby Level, InterContinental Hong Kong, 18 Salisbury Road, Tsim Sha Tsui, Kowloon, Hong Kong, held on Monday, 1 September 2008 at 11:00 a.m.
“Articles”	means the articles of association of the Company adopted pursuant to written resolutions passed on 11 September 2003
“Associates”	bears the same meaning ascribed thereto in the Listing Rules
“Company”	means Lee & Man Paper Manufacturing Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Stock Exchange
“Director(s)”	means directors of the Company or the board of directors of the Company, as the context may require
“Group”	means the Company and its subsidiaries
“HK\$”	means Hong Kong Dollars, the lawful currency of Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	means 24 July 2008, being the latest practicable date prior to the printing of this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Notice”	means the notice convening the AGM
“Repurchase Mandate”	means a general mandate proposed to be granted to the Directors to exercise the power of the Company to repurchase Shares on the terms set out in the Notice
“SFO”	means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	means share(s) of par value of HK\$0.10 each in the capital of the Company
“Share Option Scheme”	means the pre-IPO share option scheme and the share option scheme, both of which schemes were adopted by the Company on 11 September 2003
“Shareholder(s)”	means holders of the Shares

DEFINITIONS

“Stock Exchange”	means The Stock Exchange of Hong Kong Limited
“Subsidiary”	means a subsidiary within the meaning of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) for the time being of the Company whether incorporated in Hong Kong or elsewhere and “Subsidiaries” shall be construed accordingly
“Takeovers Code”	means the Hong Kong Code on Takeovers and Mergers
“%”	per cent.

LETTER FROM THE BOARD OF DIRECTORS



理文造紙有限公司*

Lee & Man Paper Manufacturing Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2314)

Executive Directors:

Lee Wan Keung Patrick (*Chairman*)

Lee Man Chun Raymond

Lee Man Bun

Li King Wai Ross

Non-Executive Director

Professor Poon Chung Kwong

Independent Non-Executive Directors:

Wong Kai Tung Tony

Law Kar Shui Elizabeth

Peter A Davies

Registered Office:

Century Yard

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Principal Office:

5th Floor, Liven House

61-63 King Yip Street

Kwun Tong

Kowloon

Hong Kong

30 July 2008

To Shareholders of the Company

Dear Sir or Madam,

**NOTICE OF ANNUAL GENERAL MEETING
PROPOSALS FOR GENERAL MANDATE TO ISSUE
AND REPURCHASE SHARES,
RE-ELECTION OF DIRECTORS
AND RENEWAL OF DIRECTOR'S SERVICE CONTRACT**

INTRODUCTION

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the AGM to be held on Monday, 1 September 2008 at 11:00 a.m. at Cypress Room, Lobby Level, InterContinental Hong Kong, 18 Salisbury Road, Tsim Sha Tsui, Kowloon, Hong Kong which, upon approval, would enable the Company to, among other things:

- (a) repurchase Shares not exceeding 10% of the aggregate nominal value of the Shares in issue as at the date of passing such resolution;
- (b) issue new shares equivalent to 20% of the Shares in issue on the date of the passing the relevant resolution;

* for identification purposes only

LETTER FROM THE BOARD OF DIRECTORS

- (c) add to the new issue mandate in (b) above those Shares repurchased by the Company pursuant to the Repurchase Mandate set out in (a) above;
- (d) re-elect certain Directors and renew the Director's service contract of Mr Li King Wai Ross.

PROPOSED ISSUE MANDATE AND REPURCHASE MANDATE

At the AGM, it will be proposed, by way of ordinary resolution, that the Directors be given general mandates to (i) repurchase Shares, the aggregate nominal amount of which does not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the ordinary resolution; (ii) allot, issue and otherwise deal with Shares not exceeding 20% of the aggregate nominal value of the issued share capital of the Company on the date of the passing of the ordinary resolution; (iii) add to the new issue mandate in (ii) above those Shares repurchased by the Company pursuant to the Repurchase Mandate described in (i) above, during the period from the date of the AGM up to the next following annual general meeting of the Company. As at the Latest Practicable Date, a total of 1,137,380,412 Shares were in issue. Subject to the passing of Ordinary Resolution No. 3(i) at the AGM and on the basis that no further Shares are issued or repurchased prior to the AGM nor outstanding options, if any, granted under the Share Option Scheme being exercised, the Company would be allowed under the new issue mandate in (ii) above to issue a maximum of 227,476,082 Shares.

An explanatory statement containing information relating to the Repurchase Mandate as required pursuant to the Listing Rules, in particular Rule 10.06(1)(b), is set out on pages 6 to 8 to this circular. This explanatory statement provides you with information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolution relating to the Repurchase Mandate.

PROPOSED RE-ELECTION OF CERTAIN DIRECTORS AND RENEWAL OF CERTAIN DIRECTOR'S SERVICE CONTRACT

In accordance with Article 86(3) and Article 87(1) of the Articles, each of Professor Poon Chung Kwong, Ms Law Kar Shui Elizabeth and Mr Peter A Davies will retire at the AGM and, being eligible, will offer himself/herself for re-election. Further, the Director's service contract for Mr Li King Wai Ross will expire on 11 August 2008 and is proposed to be renewed.

Information on such Directors as required to be disclosed under the Listing Rules and is set out in Appendix II to this circular.

THE AGM

The following are the details of the AGM:

Date: 1 September 2008

Time: 11:00 a.m.

Venue: Cypress Room, Lobby Level, InterContinental Hong Kong, 18 Salisbury Road, Tsim Sha Tsui, Kowloon, Hong Kong

LETTER FROM THE BOARD OF DIRECTORS

The Notice is set out on pages 12 and 16 of this circular. A form of proxy for use at the AGM is enclosed. Whether or not you intend to attend the AGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and deposit it with the Company's share registrars, Tricor Investor Services Ltd., 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong, as soon as possible and in any event so as to arrive not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. The return of a form of proxy will not preclude you from attending and voting in person at the AGM (or any adjournment thereof) should you so desire.

POLL PROCEDURE

Where a resolution is put to the vote at the AGM, the resolution 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:

- (a) by the chairman of the AGM; 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 AGM; 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 Shareholders having the right to vote at the AGM; 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 conferring a right to vote at the AGM 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.

On a poll votes may be given either personally or by proxy.

RECOMMENDATION

The Directors consider that the proposals referred to in this circular are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend all Shareholders to vote in favour of all the resolutions to be proposed at the AGM to approve the general mandates to issue and repurchase Shares, the addition to new issue mandate those shares repurchased pursuant to the Repurchase Mandate, the re-election of Directors and the renewal of Director's service contract.

Yours faithfully
For and on behalf of
Lee & Man Paper Manufacturing Limited
Lee Wan Keung Patrick
Chairman

This is an explanatory statement given to all Shareholders relating to a resolution to be proposed at the AGM authorizing the Repurchase Mandate.

This explanatory statement contains all reasonable information required pursuant to Rule 10.06(1)(b) and other relevant provisions of the Listing Rules which are set out as follows:

1. EXERCISE OF THE REPURCHASE MANDATE

As at the Latest Practicable Date, the issued ordinary share capital of the Company comprised 1,137,380,412 Shares.

Subject to the passing of Ordinary Resolution No. 3(ii) at the AGM and on the basis that no further Shares are issued or repurchased prior to the AGM nor outstanding options, if any, granted under the Share Option Scheme being exercised, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 113,738,041 Shares.

The expiry of the Repurchase Mandate will be the earlier of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law to be held; and
- (c) the revocation or variation of the resolution (if passed) proposed at the AGM in relation to the Repurchase Mandate by an ordinary resolution of the shareholders of the Company in a general meeting.

2. REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and its Shareholders for the Directors to have a general authority from Shareholders to enable the Company to repurchase Shares in the market. Repurchases of Shares will only be made when the Directors believe that such a repurchase will benefit the Company and Shareholders as a whole. Such repurchases may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings per share and will only be made when the Directors believe that such repurchases will benefit the Company and Shareholders as a whole.

3. FUNDING OF REPURCHASES

Any repurchases will only be funded out of funds of the Company legally available for the purposes in accordance with the Company's memorandum of association and Articles and the applicable laws of the Cayman Islands. A listed company may not repurchase its own shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

It is presently proposed that any repurchase of Shares would be made out of capital paid up on the repurchased Shares, profits of the Company or out of the proceeds of a fresh issue of Shares made for the purpose and, in the case of any premium payable on such repurchase, from profits of the Company or from the Company's share premium account. The repurchase of Shares made out of capital will be conditional upon the fact that immediately following the date on which payment out of capital is proposed to be made, the Company shall be able to pay its debts as they fall due in the ordinary course of business.

4. STATUS OF REPURCHASED SHARES

The Listing Rules provide that the listing of all repurchased Shares is automatically cancelled and that the certificates for those shares must be cancelled and destroyed. Under the law of the Cayman Islands, a company's repurchased shares shall be treated as cancelled and its issued share capital (but not the authorised share capital) will be reduced accordingly.

5. EFFECT OF EXERCISE OF THE REPURCHASE MANDATE

There might be 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 for the financial year ended 31 March 2008) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such an 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.

6. DISCLOSURE OF INTERESTS

None of the Directors and, to the best of their knowledge, having made all reasonable enquiries, none of their respective associates, have any present intention, if the Repurchase Mandate is exercised, to sell any Shares to the Company.

No connected person (as defined in the Listing Rules) has notified the Company that they have a present intention to sell Shares to the Company if the Repurchase Mandate is exercised and neither have any of the connected persons undertaken not to sell his Shares to the Company in the event the Repurchase Mandate is exercised.

7. DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange that they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

8. TAKEOVERS CODE CONSEQUENCES

If as a result of a repurchase of Shares, 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 Takeover Code. As a result, a Shareholder, or a group of Shareholders acting in concert, depending on the level of increase in the Shareholder's interests, may obtain or consolidate control of the Company and become

obliged to make a mandatory offer in accordance with Rule 26 and 32 of the Takeovers Code. The Directors are not aware of any consequences which could arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate.

As at the Latest Practicable Date, Gold Best Holdings Ltd, the controlling shareholder of the Company, held approximately 715,661,200 Shares, representing approximately 62.92% of the issued capital of the Company. If the Repurchase Mandate is exercised in full and assuming that there are no further changes in the ownership structure of the Company and none of the options under the Share Option Scheme are exercised, Gold Best Holdings Ltd. will be interested in approximately 69.91% of the issued capital of the Company. Accordingly, the Directors are not aware of any consequences for Gold Best Holdings Ltd under the Takeovers Code as a result, solely, of the Directors exercising the Repurchase Mandate in full.

9. SHARE PURCHASE MADE BY THE COMPANY

No repurchases of securities have been made by the Company in the previous six months, whether on the Stock Exchange or otherwise.

10. SHARE PRICES

The highest and lowest prices of the Shares as quoted by the Stock Exchange in each of the previous twelve months before and on the Latest Practicable Date were as follows:

	Shares	
	Highest HK\$	Lowest HK\$
2007		
July	37.50	21.80
August	34.55	26.90
September	35.40	29.65
October	35.40	29.05
November	37.00	30.15
December	36.50	32.50
2008		
January	34.80	15.66
February	22.80	16.48
March	21.70	11.30
April	16.24	12.08
May	16.66	14.26
June	16.22	11.06
Latest Practicable Date (24 July 2008)	10.14	9.70

DETAILS OF DIRECTORS PROPOSED TO BE RE-ELECTED AT THE AGM

Pursuant to the Articles, the details of the Directors who are required to retire at the AGM according to the Articles and who, being eligible, offer themselves for re-election at the AGM are as follows:

(1) Professor Poon Chung Kwong — Non-Executive Director

Professor Poon Chung Kwong, *GBS JP*, aged 68, the non-executive director of the Company, is currently the President of the Hong Kong Polytechnic University and has 40 years working experience in educational sector. He was honoured as one of the “Ten Outstanding Young Persons in Hong Kong” in 1979; was appointed Non-official Justice of the Peace (JP) in 1989; received the OBE in 1991 and the Gold Bauhinia Star (GBS) in 2002.

Pursuant to an appointment letter with the Company dated 1 February 2008, Professor Poon's appointment shall be for an initial term of one year and shall continue unless and until terminated by either the Company or Professor Poon giving to the other not less than three months' notice in writing to terminate the appointment. Professor Poon is not entitled to receive any remuneration for his appointment.

During the three years preceding the Latest Practicable Date, Professor Poon did not hold any directorship in other listed companies. As at the Latest Practicable Date, he was interested in 150,000 Shares and 480,000 underlying Shares through options granted to him under the Share Option Scheme.

Professor Poon is the husband of a cousin to the Chairman of the Company, Mr Lee Wan Keung Patrick (“Mr Lee”) on Mr Lee's father's side. As Mr Lee Man Chun, Raymond and Mr Lee Man Bun (both of whom are executive directors) are the sons of Mr Lee, they are also relatives of Professor Poon but, in their case, more distant relations.

(2) Ms Law Kar Shui Elisabeth — Independent Non-Executive Director

Ms Law Kar Shui Elisabeth, aged 59, an independent non-executive Director of the Company, is the director of Park Hotel International Limited, and previously the director of Laws International Group Limited. She has over 33 years' experience in textile and garment industries and was responsible for the management of the sweater and knitwear business. She has also over 13 years' experience in property investment and development. She is the General Manager of Park Hotel and the Director of a number of business enterprises, responsible for the overall management and strategic planning of the businesses.

Pursuant to an appointment letter with the Company dated 1 January 2008, Ms Law's appointment shall be for an initial term of one year and shall continue unless and until terminated by either the Company or Ms Law giving to the other not less than three months' notice in writing to terminate the appointment. Ms Law is not entitled to receive any remuneration for her appointment.

During the three years preceding the Latest Practicable Date, Ms Law did not hold any directorship in other listed companies. As at the Latest Practicable Date, she was not interested in any Shares. Ms Law confirms that she does not have any conflict of interest as per the requirements of Rule 3.13 of the Listing Rules which would render her unsuitable as an independent non-executive director.

Ms Law does not have any relationship with any other director, senior management, substantial shareholders (as defined in the Listing Rules) or controlling shareholder (as defined in the Listing Rules) and, save as disclosed herein, nor does he have any interests in the Shares within the meaning of Part XV of the SFO.

(3) Mr Peter A Davies — Independent Non-Executive Director

Mr Peter A Davies, aged 65, an independent non-executive Director of the Company, is a retired lawyer. He has over 40 years of experience in the legal field, practising both as a solicitor and a barrister in England and Hong Kong. Over the years, he has been a partner of Messrs. Deacons, Solicitors, and a Directorate Officer and the head of the Insider Dealing Unit with the Department of Justice of Hong Kong. He was appointed to be a notary public in Hong Kong in 1974.

Pursuant to an appointment letter with the Company dated 21 July 2008, Mr Davies's appointment shall be for an initial term of one year and shall continue unless and until terminated by either the Company or Mr Davies giving to the other not less than three months' notice in writing to terminate the appointment. Mr Davies is entitled to receive an annual remuneration of HK\$200,000. His remuneration was determined by the board of Directors by reference to the prevailing market practice, the Company's remuneration policy, his duties and responsibility within the Group and his contribution to the Group.

During the three years preceding the Latest Practical Date, Mr Davies did not hold any directorship in other listed companies. As at the Latest Practicable Date, he was not interested in any Shares. Mr Davies confirms that he does not have any conflict of interest as per the requirements of Rule 3.13 of the Listing Rules which would render him unsuitable as an independent non-executive director.

Mr Davies does not have any relationship with any other director, senior management, substantial shareholders (as defined in the Listing Rules) or controlling shareholder (as defined in the Listing Rules) and, save as disclosed herein, nor does he have any other interests in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, each of Professor Poon Chung Kwong, Ms Law Kar Shui Elizabeth and Mr Peter A Davies and the Company are not aware of any information which needs to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules nor any other matters regarding the appointment which need to be brought to the attention of the Shareholders.

**DETAILS OF DIRECTOR'S SERVICE CONTRACT PROPOSED TO BE RENEWED AT THE
AGM**

The service contract for Mr Li King Wai Ross, an executive Director, will expire on 11 August 2008 and it is proposed that the service contract with Mr Li be renewed on the terms set out below.

The service contract proposed to be entered into by Mr Li King Wai Ross is for an initial period of three years commencing 12 August 2008 and will continue thereafter unless and until terminated by either party by three month's prior written notice. The salary for Mr Li will be HK\$1,800,000 per annum, subject to revision after each completed year of service at a rate to be determined by the board of Directors. In addition, Mr Li will be entitled to a discretionary bonus provided that the total amount of bonus payable to all the Directors for such year shall not exceed 10% of the consolidated profit after taxation of the Group for the relevant year.

The Company's policy on remuneration for Executive Directors is based on that Director's experience, responsibility, workload and the time devoted to the Group.

NOTICE OF ANNUAL GENERAL MEETING



理文造紙有限公司*

Lee & Man Paper Manufacturing Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2314)

NOTICE IS HEREBY GIVEN THAT an Annual General Meeting (“AGM”) of Lee & Man Paper Manufacturing Limited (the “Company”) will be held on Monday, 1 September 2008 at 11:00 a.m. at Cypress Room, Lobby Level, InterContinental Hong Kong, 18 Salisbury Road, Tsim Sha Tsui, Kowloon, Hong Kong for the following purposes:

As ordinary business, to consider and if thought fit, pass the following resolutions:

ORDINARY RESOLUTIONS

1. to receive, consider and adopt the audited financial statements and the reports of the directors and of the auditors of the Company for the year ended 31 March 2008;
2.
 - (i) to declare a final dividend for the year ended 31 March 2008;
 - (ii) to re-elect Professor Poon Chung Kwong as a non-executive director of the Company;
 - (iii) to re-elect Ms Law Kar Shui Elizabeth as an independent non-executive director of the Company;
 - (iv) to re-elect Mr Peter A Davies as an independent non-executive director of the Company;
 - (v) to authorise the board of directors of the Company to renew the director’s service contract for Mr Li King Wai Ross, an executive director of the Company, and to fix the remuneration of all directors of the Company who are newly elected or re-elected at the AGM provided that the total amount (excluding bonuses in favour of executive directors) shall not exceed the amount of HK\$12,000,000 for the year ending 31 March 2009. The bonuses in favour of the executive directors shall be decided by the majority of the board of directors of the Company provided that the total amount of bonus payable to all the directors in respect of any one financial year shall not exceed 10% of the consolidated profit after taxation of the Group for the relevant year;
 - (vi) to re-appoint Messrs Deloitte Touche Tohmatsu as auditors for the ensuing year and authorise the board of directors to fix their remuneration; and

* for identification purposes only

NOTICE OF ANNUAL GENERAL MEETING

As special business, to consider and, if thought fit, pass the following resolutions:

ORDINARY RESOLUTIONS

3. (i) **“THAT:**

- (a) subject to paragraph (c), the exercise by the board of directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall authorise the board of directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power 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) by the board of directors of the Company pursuant to the approval in paragraph (a), otherwise than pursuant to a Rights Issue or the exercise of the subscription rights under the share option scheme of the Company adopted on 11 September 2003, 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 and the said approval shall be limited accordingly; and
- (d) for the purpose of this resolution:

“Relevant Period” means the period from 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 articles of association of the Company or any applicable law to be held; and
- (III) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in a general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the board of directors of the Company to shareholders of the Company on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the board of directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in any territory outside Hong Kong).”

NOTICE OF ANNUAL GENERAL MEETING

(ii) “**THAT:**

- (a) the exercise by the board of directors of the Company during the Relevant Period of all powers of the Company to purchase its own shares, subject to and in accordance with all applicable laws and the requirements of the Rules governing the Listing of Securities on the Stock Exchange, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company to be purchased by the Company pursuant to the approval in paragraph (a) 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 authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (c) for the purpose of this resolution,

“Relevant Period” means the period from the date of 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 to be held by any other applicable law of the Cayman Islands or the articles of association of the Company; and
- (III) the revocation or variation of this resolution of the Shareholders in a general meeting.”

- (iii) “**THAT** conditional upon resolution number 3(ii) above being passed, the aggregate nominal amount of the number of shares in the capital of the Company which are repurchased by the Company under the authority granted to the board of directors of the Company as mentioned in resolution number 3(ii) above shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the board of directors of the Company pursuant to resolution number 3(i) above.”

By Order of the Board
Mr Cheung Kwok Keung
Company Secretary

Hong Kong, 30 July 2008

NOTICE OF ANNUAL GENERAL MEETING

Principal Office:

5th Floor Liven House
61–63 King Yip Street
Kwun Tong
Kowloon
Hong Kong

Registered Office:

Century Yard
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

As at the date of this notice, the board of directors of the Company comprises four executive directors, namely Mr Lee Wan Keung Patrick, Mr Lee Man Chun Raymond, Mr Lee Man Bun and Mr Li King Wai Ross, one non-executive director, namely Professor Poon Chung Kwong and three independent non-executive directors, namely Mr Wong Kai Tung Tony, Ms Law Kar Shui Elizabeth and Mr Peter A Davies.

Notes:

1. Any member entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend and vote in his stead in accordance with the articles of association of the Company. A proxy need not be a member of the Company.
2. Where there are joint registered holders of any share, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders shall be present at the meeting personally or by proxy, that one of the holders so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
3. The form of proxy and the power of attorney or other authority, if any, under which it is signed or a certified copy of such power of attorney or authority must be deposited at the Company's Hong Kong branch share registrar, Tricor Investor Services Ltd, 26/F Tesbury Centre, 28 Queen's Road East, Hong Kong not less than 48 hours before the time for holding the AGM, and in default the form of proxy shall not be treated as valid. The completion and return of the form of proxy shall not preclude members from attending and voting in person at the AGM (or any adjourned meeting thereof) should they so wish.

NOTICE OF ANNUAL GENERAL MEETING

4. In accordance with the Company's articles of association, the following categories of members may demand that the vote in respect of any resolution to be put to the general meeting should be taken on a poll:
- (a) at least three members present in person (or in the case of a member being a corporation by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
 - (b) any member or members present in person (or in the case of a member 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 members having the right to vote at the meeting; or
 - (c) any member or members present in person (or in the case of a Member 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 the shares conferring that right; or
 - (d) the chairman of such meeting.

A poll may be so demanded before or on the declaration of the result of the show of hands.