
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in 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 Lung Cheong International Holdings Limited (the “Company”), you should at once hand this circular together with the enclosed form of proxy to the purchaser or to the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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LUNG CHEONG INTERNATIONAL HOLDINGS LIMITED

龍昌國際控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 348)

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

Resolutions will be proposed at the annual general meeting of the Company (the “**Annual General Meeting**”) to be held at Unit 11, First Floor, Houston Centre, 63 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Friday, 14 September 2012 at 9:30 a.m. to approve the matters referred to in this circular.

The notice convening the Annual General Meeting together with the form of proxy for use at the Annual General Meeting are enclosed with this circular. Whether or not you are able to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company’s branch share registrar in Hong Kong, Tricor Abacus Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding 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 if you so wish.

30 July 2012

* For identification purposes only

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LETTER FROM THE BOARD



LUNG CHEONG INTERNATIONAL HOLDINGS LIMITED

龍昌國際控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 348)

Directors:

Mr. Leung Lun, *M.H. (Chairman and Chief Executive)*

Mr. Wong, Andy Tze On

Mr. Wong Lam, *O.B.E., J.P.**

Mr. Ye Tian Liu*

Mr. Lai Yun Hung*

* *Independent Non-executive Directors*

Registered office:

Ugland House

South Church Street

P.O. Box 309

George Town

Grand Cayman

Cayman Islands

British West Indies

*Head office and principal place
of business in Hong Kong:*

Lung Cheong Building

1 Lok Yip Road

Fanling

New Territories

Hong Kong

30 July 2012

To the shareholders of the Company (the “Shareholders”)

Dear Sir or Madam,

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

1. INTRODUCTION

The purpose of this circular is to provide you with information regarding the following matters to be proposed at the Annual General Meeting: (i) the re-election of director of the Company (the “**Directors**”); and (ii) the grant to the Directors of the general mandates to issue and repurchase shares of the Company (the “**Proposals**”). Your approval for the Proposals will be sought at the annual general meeting of the Company to be held at Unit 11, First Floor, Houston Centre, 63 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Friday, 14 September 2012 at 9:30 a.m. (the “**Annual General Meeting**”).

* *For identification purposes only*

LETTER FROM THE BOARD

2. RE-ELECTION OF DIRECTOR

In accordance with Article 116 of the Company's articles of association (the "**Articles**"), the Directors retiring by rotation at the Annual General Meeting are Mr. Ye Tian Liu and Mr. Wong Lam, *O.B.E., J.P.* Mr. Wong Lam, *O.B.E., J.P.* will not offer himself for re-election whereas Mr. Ye Tian Liu, being eligible, offers himself for re-election as Director at the Annual General Meeting.

Mr. Wong Lam, *O.B.E., J.P.* has confirmed that there is no disagreement with the Directors and there is no matter in relation to his retirement that needs to be brought to the attention of the Shareholders.

Mr. Ye Tian Liu has been serving as an independent non-executive Director of the Company for more than 9 years. Pursuant to paragraph A.4.3 of the Corporate Governance Code set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (the "**Listing Rules**"), his further appointment should be subject to a separate resolution to be approved by the Shareholders. Mr. Ye Tian Liu has confirmed his independence with reference to the factors set out in Rule 3.13 of the Listing Rules. During his years of appointment, he has not been involved in the daily management of the Company nor in any relationships which would interfere with his independent judgment, and he has demonstrated his ability to provide an independent, balanced and objective view to the Company's affairs. The Company considers Mr. Ye Tian Liu is still independent in accordance with the independence guidelines as set out in the Listing Rules and will continue to bring valuable business experience, knowledge and professionalism to the board of Directors (the "**Board**") for its efficient and effective functioning. The particulars of Mr. Ye Tian Liu, which are required to be disclosed by the Listing Rules are set out below:

Independent Non-executive Director

Mr. Ye Tian Liu, aged 66, was appointed as an independent non-executive Director of the Company in November 1999. He is the chairman of the Remuneration Committee, a member of the Nomination Committee and Audit Committee of the Company. Mr. Ye holds a master's degree in business administration. He was formally an executive director of a locally listed company for several years. He has extensive experience in China trade and investment.

Save as disclosed above, Mr. Ye has no other directorship in other public listed companies nor any major qualifications or appointments in the past three years and is not connected with any Directors, senior management, management Shareholders, substantial or controlling Shareholders of the Company.

As at 26 July 2012 (being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular (the "**Latest Practicable Date**")), Mr. Ye had no interest in the shares or underlying shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (chapter 571 of the Laws of Hong Kong (the "**SFO**")).

LETTER FROM THE BOARD

Mr. Ye is appointed for a specific term of three years and is subject to the general requirement of retirement by rotation of director at each annual general meeting of the Company under the Articles. The director's fee for Mr. Ye has been fixed by the Board at HK\$60,000 per annum upon mutual agreement reached with reference to the range of prevailing range of director's fee for independent non-executive director of listed companies in Hong Kong.

There is no other information which is disclosable pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules that needs to be brought to the attention of the Shareholders.

There are no other matters concerning Mr. Ye that need to be brought to the attention of the Shareholders.

3. GENERAL MANDATE TO ISSUE SHARES

Approval is being sought from the Shareholders to grant a general mandate to the Directors to exercise the powers of the Company to allot, issue or otherwise deal with new ordinary shares in the capital of the Company of up to 691,551,599 ordinary shares, being 20% of the aggregate nominal amount of the ordinary share capital of the Company in issue as at the date of passing of the ordinary resolution at the Annual General Meeting granting the said issue mandate, on the basis that no further shares are issued or repurchased prior to the Annual General Meeting. In the event that it becomes desirable for the Company to issue any new ordinary shares, on that basis the Directors are given flexibility and discretion to allot, issue or otherwise deal with new ordinary shares of up to 691,551,599 ordinary shares, being 20% of the issued ordinary share capital of the Company as at the date of passing of the ordinary resolution (the “**Issue Mandate**”) and, if separately approved by the Shareholders, by adding to such mandate the aggregate nominal amount of ordinary shares repurchased by the Company pursuant to the Repurchase Mandate (as defined hereinafter) (the “**Extension Mandate**”). Such authority will only continue in force until the earlier of (i) the conclusion of the next annual general meeting of the Company; (ii) the end of the period within which the Company is required by the laws of the Cayman Islands or the Articles to hold its next annual general meeting; or (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting.

LETTER FROM THE BOARD

4. GENERAL MANDATE TO REPURCHASE SHARES

At the Annual General Meeting, an ordinary resolution will be proposed to approve the granting of a general mandate to the Directors to exercise the powers of the Company to repurchase ordinary shares representing up to 345,775,799 ordinary shares, being 10% of the aggregate nominal amount of the ordinary share capital of the Company in issue as at the date of the passing of the ordinary resolution (the “**Repurchase Mandate**”), on the basis that no further shares are issued or repurchased prior to the Annual General Meeting. Such authority will only continue in force until the earlier of (i) the conclusion of the next annual general meeting of the Company; (ii) the end of the period within which the Company is required by the laws of the Cayman Islands or the Articles to hold its next annual general meeting; or (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting.

An explanatory statement containing the particulars as required by the Listing Rules to provide the requisite information for your consideration of the Repurchase Mandate is set out in the Appendix hereto.

5. ANNUAL GENERAL MEETING

Notice of the Annual General Meeting is set out on pages 10 to 14 of this circular. At the Annual General Meeting, resolutions, where applicable, will be proposed to approve, inter alia, the re-election of Director, the granting of the Issue Mandate, the Repurchase Mandate and the Extension Mandate.

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 meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company’s branch share registrar in Hong Kong, Tricor Abacus Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof if you so wish.

6. VOTING AT THE ANNUAL GENERAL MEETING

Pursuant to Rule 13.39(4) to 13.39(5) of the Listing Rules, any voting of shareholders of listed issuers at a general meeting must be taken by way of poll and the listed issuers must announce the poll results in the prescribed manner. Accordingly, the chairman of the Annual General Meeting will demand a poll on each and every resolution put to the vote at the Annual General Meeting.

LETTER FROM THE BOARD

After the conclusion of the Annual General Meeting, the poll results will be published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.e-lci.com.

7. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other facts the omission of which would make any statement herein or this circular misleading.

8. RECOMMENDATION

The Directors consider that the re-election of Director, the grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate mentioned above are all in the best interests of the Company and its Shareholders as a whole and, accordingly, recommend all Shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

9. GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendix hereto. The English text of this circular shall prevail over the Chinese text.

Yours faithfully,
For and on behalf of the Board
LEUNG LUN
Chairman and Chief Executive

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide Shareholders with all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the resolution to be proposed at the Annual General Meeting in relation to the granting of the Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 3,457,757,997 ordinary shares of HK\$0.10 each.

Subject to the passing of resolution no. 5 set out in the notice of the Annual General Meeting in respect of the granting of the Repurchase Mandate and on the basis that no further ordinary shares are issued or repurchased prior to the Annual General Meeting, the Company would be allowed under the Repurchase Mandate to repurchase up to a maximum of 345,775,799 ordinary shares of the Company.

2. REASONS FOR REPURCHASES

Although the Directors have no present intention of repurchasing any existing ordinary shares of the Company, the Directors believe that the Repurchase Mandate is in the best interests of the Company and its Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per share of the Company and will only be made when the Directors believe that such repurchases will benefit the Company and its Shareholders.

3. FUNDING OF REPURCHASES

Repurchases would be funded entirely from the Company's available cash flow or working capital facilities which will be funds legally available for the purpose as well as in accordance with its memorandum and articles of association and the laws of the Cayman Islands. It is envisaged that the funds required for any repurchase would be derived from those funds of the Company, legally permitted to be utilised in that connection, including capital paid up on the ordinary shares of the Company to be repurchased, profits otherwise available for distribution and sums standing to the share premium account of the Company.

There might be material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited consolidated financial statements contained in the annual report of the Company for the year ended 31 March 2012) in the event that the proposed share repurchases were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the power to make purchases pursuant to the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing levels of the Company 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 ordinary shares of the Company had been traded on the Stock Exchange during each of the previous twelve months immediately before, and in the current month up to, the Latest Practicable Date were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2011		
July	0.5000	0.4250
August	0.4900	0.3450
September	0.3700	0.2300
October	0.2950	0.1850
November	0.3250	0.2350
December	0.3050	0.2450
2012		
January	0.3950	0.2700
February	0.4000	0.3500
March	0.3750	0.2600
April	0.3000	0.1930
May	0.2500	0.2390
June	0.2500	0.2020
July (up to the Latest Practicable Date)	0.2300	0.2020

5. UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

6. DISCLOSURE OF INTERESTS

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates, have any present intention to sell any shares of the Company to the Company under the Repurchase Mandate if such is approved by the Shareholders at the Annual General Meeting.

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

7. HONG KONG CODE ON TAKEOVERS AND MERGERS

If on the exercise of the power to repurchase shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Hong Kong Code on Takeovers and Mergers (the "**Takeovers Code**"). As a result, a Shareholder or a group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, 1,499,082,240 ordinary shares representing approximately 43.35% of the issued ordinary shares of the Company were owned by Lung Cheong Investment Limited, which is the only substantial Shareholder holding more than 10% of the issued ordinary shares of the Company. Lung Cheong Investment Limited is wholly owned by Rare Diamond Limited, which in turn is beneficially owned as to 70% by Mr. Leung Lun, *M.H.* and 30% by Mr. Leung Chung Ming. Mr. Leung Lun, *M.H.* is a Director and Mr. Leung Chung Ming is Mr. Leung Lun, *M.H.*'s brother. In the event that the Directors exercise in full the power to repurchase shares which is proposed to be granted pursuant to the Repurchase Mandate, the shareholding of Lung Cheong Investment Limited in the Company would be increased to approximately 48.17% of the issued ordinary shares of the Company and such increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

Save as disclosed above, Mr. Leung Lun, *M.H.* and Mr. Leung Chung Ming had no other interest in the shares of the Company.

The Directors are not aware of any consequences which would arise under the Takeovers Code as a result of any repurchases pursuant to the Repurchase Mandate.

The Directors wish to state that they have no intention to exercise the power to repurchase shares pursuant to the Repurchase Mandate to the extent that would render the aggregate amount of the issued ordinary share capital of the Company in public hands to less than 25%.

8. SHARE REPURCHASE MADE BY THE COMPANY

The Company had not purchased any of its ordinary shares (whether on the Stock Exchange or otherwise) in the six months immediately preceding the Latest Practicable Date.

NOTICE OF ANNUAL GENERAL MEETING



LUNG CHEONG INTERNATIONAL HOLDINGS LIMITED

龍昌國際控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 348)

NOTICE IS HEREBY GIVEN that an annual general meeting of Lung Cheong International Holdings Limited (the “**Company**”) will be held at Unit 11, First Floor, Houston Centre, 63 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Friday, 14 September 2012 at 9:30 a.m. for the following purposes:

1. To receive and adopt the audited consolidated financial statements of the Company and the reports of the directors of the Company (the “**Directors**”) and the auditors of the Company for the year ended 31 March 2012;
2. To re-elect Mr. Ye Tian Liu as independent non-executive Director of the Company and to authorise the Directors to fix his remuneration;
3. To re-appoint the auditors of the Company and to authorise the Directors to fix their remuneration;
4. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT**

- (1) subject to paragraph (3) below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the exercise by the Directors during the Relevant Period (as defined hereinafter) of all the powers of the Company to allot, issue or otherwise deal with additional ordinary shares in the share capital of the Company and to make or grant offers, agreements and options, including warrants to subscribe for ordinary shares in the capital of the Company, which might require the exercise of such powers be and is hereby generally and unconditionally approved;

* For identification purposes only

NOTICE OF ANNUAL GENERAL MEETING

- (2) the approval in paragraph (1) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (3) the aggregate nominal amount of ordinary share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise), issued or dealt with by the Directors pursuant to the approval in paragraph (1) above, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any options granted under the share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of ordinary shares in lieu of the whole or part of a dividend on ordinary shares in accordance with the articles of association of the Company in force from time to time; or (iv) any issue of ordinary shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into ordinary shares, shall not exceed 20% of the aggregate nominal amount of the ordinary share capital of the Company in issue at the date of the passing of this resolution and the said approval shall be limited accordingly; and
- (4) for the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the Company’s articles of association to be held; or
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.

“**Rights Issue**” means an offer of ordinary shares, or offer or issue of warrants, options or other securities giving rights to subscribe for ordinary shares open for a period fixed by the Directors to holders of ordinary 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 may

NOTICE OF ANNUAL GENERAL MEETING

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, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

5. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT

- (1) subject to paragraph (2) below, the exercise by the Directors during the Relevant Period (as defined hereinafter) of all powers of the Company to purchase ordinary shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the ordinary shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (2) the aggregate nominal amount of ordinary shares of the Company which may be purchased by the Company pursuant to the approval in paragraph (1) above shall not exceed 10% of the aggregate nominal amount of the ordinary share capital of the Company in issue at the date of passing of this resolution and the said approval shall be limited accordingly; and
- (3) for the purpose of this resolution, “**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earlier of:
 - (i) the conclusion of the next annual general meeting of the Company; or
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the Company’s articles of association to be held; or
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution.”

NOTICE OF ANNUAL GENERAL MEETING

6. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** subject to the passing of resolutions no. 4 and no. 5 set out in the notice convening this meeting, the general mandate granted to the Directors to allot, issue or otherwise deal with additional ordinary shares pursuant to resolution no. 4 set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of ordinary shares in the capital of the Company repurchased by the Company under the authority granted pursuant to resolution no. 5 set out in the notice convening this meeting, provided that such amount of ordinary shares so repurchased shall not exceed 10% of the aggregate nominal amount of the issued ordinary share capital of the Company at the date of passing the said resolution.”

By Order of the Board
Lung Cheong International Holdings Limited
Wong, Andy Tze On
Executive Director

Hong Kong, 30 July 2012

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. The register of members of the Company will be closed from 11 September 2012 to 14 September 2012 (both dates inclusive), during which period no transfer of shares of the Company will be effected.
2. In order to qualify for the attendance and voting at the general meeting, all transfers accompanied by the relevant shares certificates for registration must be lodged with the Company's branch share registrar in Hong Kong, Tricor Abacus Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 10 September 2012.
3. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies (who must be an individual or individuals) to attend and vote instead of him. A proxy need not be a member of the Company.
4. To be valid, the form of proxy and the power of attorney or other authority, if any, under which it is signed, or a notorially certified copy of such power or authority must be lodged with the Company's branch share registrar in Hong Kong, Tricor Abacus Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
5. Concerning resolutions no. 4 and 6 above, approval is being sought from members as a general mandate in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, in order to ensure flexibility and discretion to the Directors in the event that it becomes desirable to allot, issue or otherwise deal with ordinary shares of the Company up to 20 per cent of the issued ordinary share capital of the Company as at the date of passing of the relevant resolutions.
6. In relation to resolution no. 5 above, the Directors wish to state that they will exercise the powers conferred thereby to purchase shares of the Company in circumstances which they deem appropriate for the benefit of the shareholders of the Company.
7. The existing board of Directors comprises two executive Directors, namely, Mr. Leung Lun, *M.H.* and Mr. Wong, Andy Tze On, and three independent non-executive Directors, namely, Mr. Wong Lam, *O.B.E., J.P.*, Mr. Ye Tian Liu and Mr. Lai Yun Hung.
8. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.