
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 Founder Holdings Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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

A notice convening an annual general meeting of the shareholders of Founder Holdings Limited to be held at 11:15 a.m. on Friday, 30 May 2008 at Unit 1408, 14th Floor, Cable TV Tower, 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong is set out in Appendix III to this circular. Whether or not you are able to attend the meeting in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's principal place of business in Hong Kong at Unit 1408, 14th Floor, Cable TV Tower, 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding of the 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 meeting.

* For identification purpose only

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at 11:15 a.m. on Friday, 30 May 2008 at Unit 1408, 14th Floor, Cable TV Tower, 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong or any adjournment thereof;
“Board”	the board of Directors;
“Bye-laws”	the bye-laws of the Company;
“Company”	Founder Holdings Limited (方正控股有限公司*), an exempted company incorporated in Bermuda with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange;
“Directors”	the directors of the Company;
“EC-Founder”	EC-Founder (Holdings) Company Limited (方正數碼(控股)有限公司*), an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange, and an approximately 32.84% owned associated company of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Latest Practicable Date”	25 April 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange, as modified from time to time;
“Peking Founder”	北大方正集團有限公司 (Peking University Founder Group Company Limited*), the controlling shareholder of the Company;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	ordinary shares of HK\$0.10 each of the Company;
“Shareholder(s)”	registered holder(s) of Share(s) of the Company;
“Share Repurchase Rules”	the applicable provisions under the Listing Rules to regulate the repurchase by companies with primary listing on the Stock Exchange of their own securities on the Stock Exchange;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers.

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LETTER FROM THE BOARD



(Incorporated in Bermuda with limited liability)

(Stock Code: 00418)

Executive Directors:

Mr Zhang Zhao Dong (*Chairman*)
Professor Xiao Jian Guo (*Deputy Chairman*)
Mr Liu Xiao Kun (*President*)
Professor Wei Xin
Mr Chen Geng
Mr Xie Ke Hai

Independent Non-executive Directors:

Mr Li Fat Chung
Dr Hu Hung Lick, Henry
Ms Wong Lam Kit Yee

Registered office:

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

Principal place of business

in Hong Kong:

Unit 1408
14th Floor
Cable TV Tower
9 Hoi Shing Road
Tsuen Wan
New Territories
Hong Kong

30 April 2008

To the Shareholders

Dear Sir or Madam,

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

I. INTRODUCTION

The Company will propose at the AGM resolutions to, inter alia, re-elect Directors and grant to the Directors general mandates to issue Shares and to repurchase Shares.

The purpose of this circular is to provide you with further information on resolutions to be proposed at the AGM and to give you notice of the AGM at which the resolutions will be proposed to consider and, if thought fit, approve such matters.

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LETTER FROM THE BOARD

II. RE-ELECTION OF DIRECTORS

In accordance with Bye-law 99 of the Bye-laws, Professor Xiao Jian Guo, Ms Wong Lam Kit Yee and Mr Zhang Zhao Dong will retire from office by rotation at the AGM and, being eligible, will offer themselves for re-election.

Relevant details, as at the Latest Practicable Date, of each of the Directors proposed for re-election at the AGM are set out in Appendix I to this circular.

III. GENERAL MANDATES

At the annual general meeting of the Company held on 25 May 2007, resolutions were passed by the then Shareholders granting general mandates to the Directors to issue Shares and to repurchase Shares. These general mandates will lapse at the conclusion of the AGM. Resolutions will therefore be proposed at the AGM to renew the grant of these general mandates.

1. General mandate to issue Shares

At the AGM, an ordinary resolution will be proposed to grant the Directors a general and unconditional mandate to allot, issue, grant, distribute and otherwise deal with additional Shares, not exceeding 20 per cent. of the Company's issued share capital as at the date of the resolution, for the period until the conclusion of the next annual general meeting of the Company (or such earlier period as stated in the resolution) ("**Share Issue Mandate**").

As at the Latest Practicable Date, the authorised share capital of the Company comprised 2,100,000,000 Shares and the number of Shares in issue were 1,130,299,893. Subject to the passing of the relevant ordinary resolution at the AGM and on the basis that no further Shares will be issued or repurchased prior to the AGM, the Company would be allowed under the Share Issue Mandate to issue a maximum of 226,059,978 new Shares during the period in which the Share Issue Mandate remains in force.

In addition, conditional upon the proposed resolution to authorise the repurchase of Shares as is more particularly described under the section headed "General mandate to repurchase Shares" being passed, an ordinary resolution will be proposed at the AGM to authorise the Directors to exercise the powers to allot, issue, grant, distribute and otherwise deal with additional Shares under the Share Issue Mandate in respect of the aggregate nominal amount of share capital in the Company purchased by the Company.

LETTER FROM THE BOARD

2. General mandate to repurchase Shares

At the AGM, an ordinary resolution will also be proposed to grant the Directors a general and unconditional mandate to exercise all the powers of the Company to purchase an amount of Shares not exceeding 10 per cent. of the Company's issued share capital as at the date of the resolution, for the period until the conclusion of the next annual general meeting of the Company (or such earlier period as stated in the resolution) ("**Share Repurchase Mandate**").

An explanatory statement required under the Share Repurchase Rules providing the requisite information in respect of the Share Repurchase Mandate is set out in Appendix II to this circular.

IV. NOTICE OF AGM

Notice of the AGM is set out on pages 11 to 14 of this circular.

There is enclosed a form of proxy for use at the AGM. A member entitled to attend and vote at the AGM may appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company. Whether or not you intend to be present at the AGM, you are requested to complete the form of proxy and return it to the principal place of business of the Company in Hong Kong in accordance with the instructions printed thereon 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 you from attending and voting in person at the AGM should you so wish.

Your right to demand a poll on the resolutions proposed at the AGM is set out in Appendix IV to this circular.

V. RECOMMENDATIONS

The Directors believe that the proposed re-election of Directors and the proposed grant of the Share Issue Mandate and the Share Repurchase Mandate are all in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend you to vote in favour of all the relevant resolutions to be proposed at the AGM.

Yours faithfully,
For and on behalf of the Board
Zhang Zhao Dong
Chairman

The following are the relevant details of those Directors proposed for re-election at the AGM:

1. **Professor Xiao Jian Guo**, aged 51, is the Deputy Chairman and an executive director of the Company. He is also an executive director and Chief Technical Officer of Peking Founder, a director of Founder (Hong Kong) Limited and a director of Founder Technology Group Corporation. Founder Technology Group Corporation is a company listed on the Shanghai Stock Exchange and an associated company of Peking Founder. Professor Xiao is a professor and a supervisor of Ph.D. students of the Peking University. He graduated from the Department of Computer Science at the College of Dalian Ocean Communication with a bachelor's degree in 1982 and obtained a master's degree in Computer Science at the Peking University.

Save as disclosed above, Professor Xiao does not hold any position with the Company and other members of the Group, nor has any directorship in other listed public companies in the last three years.

Save as disclosed above, Professor Xiao does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company.

As at the Latest Practicable Date, Professor Xiao had a personal interest of share options to subscribe for 8,000,000 Shares. Save as disclosed above, he does not have any interest in the shares of the Company within the meaning of Part XV of the SFO.

Professor Xiao has entered into a service agreement with the Company for an initial term of two years commenced on 30 June 2007 and the agreement shall continue thereafter unless and until terminated by either the Company or Professor Xiao in accordance with the terms therein. Professor Xiao is not entitled to any director's fee or salary payable by the Company at the time entering into the service agreement, however, which may be reviewed from time to time at the discretion of the Board. Professor Xiao is entitled to participate in any profit-related bonus scheme as may be established by the Company and his entitlement thereunder shall be determined at the absolute discretion of the Board and the total amount of bonus payable to all executive directors of the Company shall not exceed 15 per cent. of the audited consolidated net profit of the Group (after payment of all bonuses) after taxation and minority interests but before extraordinary items of the Group for that financial year.

Save as disclosed above, there are no other matters relating to the re-election of Professor Xiao that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules.

2. **Ms Wong Lam Kit Yee**, aged 44, is an independent non-executive director of the Company and EC-Founder. Ms Wong is a Certified Public Accountant (Practising) in Hong Kong. She is also a fellow member of the Association of Chartered Certified Accountants in the United Kingdom and a member of the Hong Kong Institute of Certified Public Accountants. Ms Wong has extensive experience in auditing and accounting.

Save as disclosed above, Ms Wong does not hold any position with the Company and other members of the Group, nor has any directorship in other listed public companies in the last three years.

Save as disclosed above, Ms Wong does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, Ms Wong does not have any interest in the shares of the Company within the meaning of Part XV of the SFO.

Ms Wong has entered into a service agreement with the Company for a period of one year commenced on 30 June 2007. Ms Wong is entitled to a director's fee of HK\$120,000 per annum, which was determined by the Board by reference to the current market conditions and may be reviewed from time to time at the discretion of the Board.

Save as disclosed above, there are no other matters relating to the re-election of Ms Wong that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules.

3. **Mr Zhang Zhao Dong**, aged 58, is the Chairman and an executive director of the Company and EC-Founder. He is also the President and an executive director of Peking Founder, a director of Founder (Hong Kong) Limited and Founder International Inc. Mr Zhang graduated from the Department of Geophysics at the Peking University in 1977 and is a research fellow at the Peking University.

Save as disclosed above, Mr Zhang does not hold any position with the Company and other members of the Group, nor has any directorship in other listed public companies in the last three years.

Save as disclosed above, Mr Zhang does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr Zhang had a personal interest of share options to subscribe for 8,000,000 Shares. Save as disclosed above, he does not have any interest in the shares of the Company within the meaning of Part XV of the SFO.

Mr Zhang has entered into a service agreement with the Company for an initial term of two years commenced on 30 June 2007 and shall continue thereafter unless and until terminated by either the Company or Mr Zhang in accordance with the service agreement. Mr Zhang is not entitled to any director's fee or salary payable by the Company at the time entering into the service agreement, however, which may be reviewed from time to time at the discretion of the Board. Mr Zhang is entitled to participate in any profit-related bonus scheme as may be established by the Company and his entitlement thereunder shall be determined at the absolute discretion of the Board and the total amount of bonus payable to all executive directors of the Company shall not exceed 15 per cent. of the audited consolidated net profit of the Group (after payment of all bonuses) after taxation and minority interests but before extraordinary items of the Group for that financial year.

Save as disclosed above, there are no other matters relating to the re-election of Mr Zhang that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules.

This appendix serves as an explanatory statement, as required by the Share Repurchase Rules, to provide requisite information to you for your consideration of the Share Repurchase Mandate.

SHARE REPURCHASE RULES

The Share Repurchase Rules provide that all proposed repurchases of securities by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of its shareholders in general meeting, either by way of a general mandate or by a specific approval of a particular transaction. A maximum of 10 per cent. of the fully paid-up securities of a company as at the date of the passing of the relevant resolution may be repurchased on the Stock Exchange.

SHARE CAPITAL

As at the Latest Practicable Date, the authorised share capital of the Company comprised 2,100,000,000 Shares and the number of Shares in issue were 1,130,299,893.

Subject to the passing of the relevant ordinary resolution at the AGM and on the basis that no further Shares will be issued or repurchased prior to the AGM, the Company would be allowed under the Share Repurchase Mandate to repurchase a maximum of 113,029,989 Shares during the period in which the Share Repurchase Mandate remains in force. Any Shares repurchased pursuant to the Share Repurchase Mandate must be fully paid-up.

SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous twelve months preceding the Latest Practicable Date were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2007		
April	0.65	0.54
May	0.94	0.65
June	1.24	0.77
July	1.20	0.80
August	0.96	0.56
September	0.85	0.61
October	0.84	0.58
November	0.79	0.55
December	0.63	0.52
2008		
January	0.58	0.40
February	0.50	0.39
March	0.44	0.34
April (up to the Latest Practicable Date)	0.42	0.37

REASONS FOR REPURCHASE

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

FUNDING OF REPURCHASE

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association, the Bye-laws and the applicable laws of Bermuda.

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 of the Company for the year ended 31 December 2007) in the event that the Share Repurchase Mandate was to be exercised in full at any time during the repurchase period. However, the Board does not propose to exercise the Share Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing level of the Company.

UNDERTAKING

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

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

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

EFFECT OF THE TAKEOVERS CODE

If, as a result of a share repurchase by the Company, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase may be treated as an acquisition for the purpose of Rule 32 of the Takeovers Code. Accordingly, a Shareholder, or group of Shareholders acting in concert, could obtain or consolidate control of the Company or become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, Peking Founder, being the only controlling shareholder of the Company, was interested in 367,179,610 Shares, representing approximately 32.49% of the issued share capital of the Company. In the event that the Directors exercised in full the power to repurchase Shares in accordance with the Share Repurchase Mandate, the shareholding of Peking Founder in the Company will be increased to approximately 36.09% of the issued share capital of the Company. As a result, Peking Founder would be required under Rule 26 of the Takeovers Code to make a mandatory offer pursuant to such increase. The Directors have no present intention to exercise in full the power to repurchase Shares pursuant to the Share Repurchase Mandate so as to trigger the Takeovers Code.

SHARE REPURCHASE MADE BY THE COMPANY

There have been no repurchases of Shares by the Company made in the six months prior to the date of this circular (whether on the Stock Exchange or otherwise).



(Incorporated in Bermuda with limited liability)

(Stock Code: 00418)

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of Founder Holdings Limited (the “Company”) will be held at Unit 1408, 14th Floor, Cable TV Tower, 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong on Friday, 30 May 2008 at 11:15 a.m. for the following purposes:

- 1 To receive and adopt the audited Financial Statements and the Reports of Directors and Auditors of the Company for the year ended 31 December 2007.
- 2 To re-elect Directors and authorise the Board of Directors to fix the Directors’ remuneration.
- 3 To re-appoint Ernst & Young as Auditors of the Company and to authorise the Board of Directors to fix their remuneration.
- 4 As special business, to consider and, if thought fit, pass the following resolution as an ordinary resolution:

“THAT:

- (A) subject to paragraph (B) below, the exercise by the Board of Directors during the Relevant Period of all the powers of the Company to allot, issue, grant, distribute and otherwise deal with additional Shares and to make, issue or grant offers, agreements, options, warrants and other securities which will or might require Shares to be allotted, issued, granted, distributed or otherwise dealt with during or after the end of the Relevant Period, be and is hereby generally and unconditionally approved;
- (B) the aggregate nominal amount of share capital allotted, issued, granted, distributed or otherwise dealt with or agreed conditionally or unconditionally to be allotted, issued, granted, distributed or otherwise dealt with (whether pursuant to an option, conversion or otherwise) by the Board of Directors pursuant to the approval in paragraph (A) above, otherwise than pursuant to:
 - (i) a Rights Issue; or

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- (ii) the grant of options under the share option scheme of the Company or the exercise of any of the subscription rights attaching to any options that have been or may be granted thereunder; or
- (iii) the exercise of rights of subscription or conversion under the terms of any warrant issued by the Company or any securities which are convertible into Shares; or
- (iv) any scrip dividend scheme or similar arrangement providing for allotment of Shares in lieu of the whole or part of any dividend on Shares in accordance with the Byelaws of the Company

shall not exceed the aggregate of:

- (a) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this Resolution 4; and
- (b) (if the Board of Directors are so authorised by a separate resolution of the shareholders of the Company) the aggregate nominal amount of the share capital of the Company purchased by the Company subsequent to the passing of this Resolution 4 (up to a maximum equivalent to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this Resolution 4),

and the said approval shall be limited accordingly; and

(C) for the purposes of this Resolution 4:

- (i) “Relevant Period” means the period from (and including) the date of passing this Resolution 4 until whichever is the earliest 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 Bye-laws of the Company or any applicable law to be held; and
 - (c) the revocation or variation of the authority given under this Resolution 4 by an ordinary resolution of the shareholders of the Company in general meeting;

- (ii) “Rights Issue” means an offer of Shares open for a period fixed by the Board of Directors to holders of Shares on the register of members (and, if appropriate, to the holders of warrants and other securities which carry a right to subscribe or purchase shares in the Company on the relevant register) on a fixed record date in proportion to their then holdings of such Shares (and, if appropriate, such warrants and other securities) (subject to such exclusions or other arrangements as the Board of Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any legal or practical restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any jurisdiction or territory applicable to the Company); and
 - (iii) “Shares” means shares of all classes in the capital of the Company and warrants and other securities which carry a right to subscribe or purchase shares in the Company.”
5. As special business, to consider and, if thought fit, pass the following resolution as an ordinary resolution:

“THAT:

- (A) subject to paragraph (B) below, the exercise by the Board of Directors during the Relevant Period of all the powers of the Company to purchase Shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the Shares may be listed and which is recognised for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange, subject to and in accordance with all applicable laws, including the Hong Kong Code on Share Repurchases and 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;
- (B) the aggregate nominal amount of Shares which may be purchased or agreed conditionally or unconditionally to be purchased pursuant to the approval in paragraph (A) above shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this Resolution 5, and the said approval be limited accordingly; and
- (C) for the purposes of this Resolution 5:
 - (i) “Relevant Period” means the period from (and including) the passing of this Resolution no. 5 until whichever is the earliest 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 Bye-laws of the Company or any applicable law to be held; or
 - (c) the revocation or variation of the authority given under this Resolution 5 by an ordinary resolution of the shareholders of the Company in general meeting; and
- (ii) “Shares” means shares of all classes in the capital of the Company and warrants and other securities which carry a right to subscribe or purchase shares in the Company.”
6. As special business, to consider and, if thought fit, pass the following resolution as an ordinary resolution:

“**THAT**, conditional on the passing of Resolutions 4 and 5, the exercise by the Board of Directors of the powers referred to in paragraph (A) of Resolution 4 in respect of the share capital of the Company referred to in sub-paragraph (b) of paragraph (B) of Resolution 4, be and is hereby approved and authorised.”

By Order of the Board
Tang Yuk Bo, Yvonne
Company Secretary

Hong Kong, 30 April 2008

Notes:

- (1) Any shareholder of the Company entitled to attend and vote at the meeting is entitled to appoint another person as his proxy to attend and vote in his stead. A shareholder who is the holder of two or more shares may appoint more than one proxy to attend on the same occasion. A proxy need not be a shareholder of the Company.
- (2) Where there are joint holders of any share, any one of such joint holders may vote at the meeting, either personally or by proxy, in respect of such share as if he was solely entitled thereto, but if more than one of such joint holders are present at the meeting, that one of the said persons 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) In order to be valid, the instrument appointing a proxy together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of that power or authority must be deposited at the principal place of business of the Company in Hong Kong at Unit 1408, 14th Floor, Cable TV Tower, 9 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong not less than 48 hours before the time for holding the meeting or any adjournment thereof.

The existing Bye-law 70 of the Bye-Laws sets out the procedure by which Shareholders may demand a poll:

At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless voting by way of a poll is required by the rules of the Designated Stock Exchange or a poll is demanded (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) by:

- (i) the Chairman of the meeting; or
- (ii) at least three Shareholders present in person or by a duly authorised corporate representative or by proxy for the time being entitled to vote at the meeting; or
- (iii) any Shareholder or Shareholders present in person or by a duly authorised corporate representative or by proxy and representing not less than one-tenth of the total voting rights of all the Shareholders having the right to vote at the meeting; or
- (iv) any Shareholder or Shareholders present in person or by a duly authorised corporate 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
- (v) by any Director or Directors (including the chairman of a general meeting of the Company) who, individually or collectively, hold proxies in respect of shares representing 5 per cent. or more of the total voting rights at such meeting and if on a show of hands such meeting votes in the opposite manner to that instructed in those proxies.

Unless a poll be so demanded and the demand is not withdrawn, a declaration by the Chairman of the meeting that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour or against such resolution.