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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 Hop Fung Group Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or 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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合豐集團控股有限公司
HOP FUNG GROUP HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)
Stock Code: 2320

**PROPOSED GRANTING OF
GENERAL MANDATES TO REPURCHASE SHARES
AND ISSUE NEW SHARES
AND
PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME
AND
PROPOSED RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an annual general meeting of Hop Fung Group Holdings Limited to be held at Ming Room II, 4/F, Sheraton Hong Kong Hotel & Towers, 20 Nathan Road, Kowloon, Hong Kong on Monday, 3rd June, 2013 at 10:30 a.m. is set out on pages 25 to 29 of this circular. A form of proxy for use at the annual general meeting is also enclosed. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.hopfunggroup.com).

If you are not able to attend the annual general meeting, please complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Branch Share Registrar of the Company in Hong Kong, Tricor Abacus Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the meeting or any adjournment thereof if they so wish and, in such event, the form of proxy shall be deemed to be revoked.

19th April, 2013

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RESPONSIBILITY STATEMENT

This circular, for which the directors of the Company collectively and individually accept full responsibility, 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, 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 matters the omission of which would make any statement herein or this circular misleading.

DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at Ming Room II, 4/F, Sheraton Hong Kong Hotel & Towers, 20 Nathan Road, Kowloon, Hong Kong on Monday, 3rd June, 2013, at 10:30 a.m. to consider and, if appropriate, to approve the resolutions contained in the notice of the annual general meeting which is set out on pages 25 to 29 of this circular, or any adjournment thereof
“Annual Report”	annual report of the Company in respect of the year ended 31st December, 2012
“Articles of Association”	the articles of association of the Company currently in force
“associate(s)”	has the meaning as ascribed thereto in Rule 1.01 of Chapter 1 of the Listing Rules
“Board”	the board of Directors
“Buyback Mandate”	as defined in paragraph 2(a) of the Letter from the Board set out on pages 5 to 9 of this circular
“Business Day”	a day other than a public holiday, a Saturday and a gale warning day or a black rainstorm warning day as defined in Section 71(2) of the Interpretation and General Clauses Ordinance (Chapter 1 of the Laws of Hong Kong)
“Company”	Hop Fung Group Holdings Limited 合豐集團控股有限公司, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning as ascribed thereto in the Listing Rules
“Court”	has the meaning as ascribed thereto in the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Director(s)”	the director(s) of the Company
“Eligible Employee(s)”	employee(s) (whether full time or part time employee(s)) of the Company, its Subsidiaries or any Invested Entity

DEFINITIONS

“Existing Share Option Scheme”	the existing share option scheme adopted by the Company on 4th September, 2003
“Grantee(s)”	Participant(s) who accepted the offer of the grant of any Option in accordance with the terms of the New Share Option Scheme or (where the context so permits) a person entitled to any such Option in consequence of the death of the original Grantee
“Group”	the Company and its Subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Invested Entity”	any entity in which any member of the Group holds any equity interest
“Issuance Mandate”	as defined in paragraph 2(b) of the Letter from the Board set out on pages 5 to 9 of this circular
“Latest Practicable Date”	12th April, 2013, 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 amended from time to time
“New Share Option Scheme”	the share option scheme proposed to be adopted by the Company at the Annual General Meeting, a summary of principal terms of which is set out in Appendix II to this circular
“Offer”	the offer of the grant of an Option made in accordance with the New Share Option Scheme
“Offer Date”	the date on which the Board makes an Offer to any Participant
“Option(s)”	option(s) to subscribe for Shares granted pursuant to the New Share Option Scheme

DEFINITIONS

“Participant(s)”	<p>any person belonging to any of the following classes of persons:</p> <ul style="list-style-type: none">(a) any Eligible Employee;(b) any director (including executive directors, non-executive directors and independent non-executive directors) of any member of the Group or any Invested Entity;(c) any supplier of goods or services to any member of the Group or any Invested Entity;(d) any customer of any member of the Group or any Invested Entity;(e) any person or entity that provides research, development or other technological support or any consultancy, advisory, professional or other services to any member of the Group or any Invested Entity;(f) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;(g) any joint venture partner, business or strategic alliance partner, in each case, of any member of the Group or any Invested Entity; and(h) any discretionary trust whose discretionary objects may be any person belonging to any of the above classes (a) to (g)
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time
“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option as described in the provisions of the New Share Option Scheme

DEFINITIONS

“Subsidiary(ies)”	company(ies) which is/are for the time being subsidiary(ies) (within the meaning of Section 2 of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) as modified from time to time) of the Company, whether incorporated in Hong Kong or elsewhere
“substantial shareholder”	has the meaning as ascribed thereto in Rule 1.01 of Chapter 1 of the Listing Rules
“Takeovers Code”	The Code on Takeovers and Mergers approved by the Securities and Futures Commission as amended from time to time
“Trading Day(s)”	day(s) on which the Stock Exchange is open for the business of dealing in securities

LETTER FROM THE BOARD



合豐集團控股有限公司

HOP FUNG GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 2320

Executive Directors:

Mr. Hui Sum Kwok (*Chairman*)
Mr. Hui Sum Ping (*Vice Chairman*)
Mr. Hui Sum Tai (*Chief Executive Officer*)
Ms. Hui Yuen Li

Registered Office:

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

Independent Non-executive Directors:

Mr. Chee Man Sang, Eric
Mr. Yip Kwok Kwan
Mr. Wong Chu Leung

Hong Kong Office:

Workshops E, F and H, on 22nd Floor
Superluck Industrial Centre (Phase 2)
No. 57 Sha Tsui Road and
Nos. 30-38 Tai Chung Road, Tsuen Wan
New Territories
Hong Kong

19th April, 2013

To Shareholders

Dear Sir or Madam,

**PROPOSED GRANTING OF
GENERAL MANDATES TO REPURCHASE SHARES
AND ISSUE NEW SHARES
AND
PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME
AND
PROPOSED RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of the resolutions to be proposed at the Annual General Meeting for (i) the granting of the Buyback Mandate to the Directors; (ii) the granting of the Issuance Mandate to the Directors; (iii) the extension of the Issuance

LETTER FROM THE BOARD

Mandate by adding to it the aggregate nominal amount of the issued Shares repurchased by the Company under the Buyback Mandate; (iv) the adoption of the New Share Option Scheme; and (v) the re-election of the retiring Directors.

2. PROPOSED GRANTING OF THE BUYBACK AND ISSUANCE MANDATES

At the annual general meeting of the Company held on 4th June, 2012, general mandates were granted to the Directors to exercise the powers of the Company to repurchase Shares and to issue new Shares respectively. Such mandates will lapse at the conclusion of the Annual General Meeting.

Ordinary resolutions will be proposed at the Annual General Meeting to approve the granting of new general mandates to the Directors:

- (a) to purchase Shares on the Stock Exchange of an aggregate nominal amount of up to 10% of the aggregate nominal amount of the issued share capital of the Company on the date of passing of such resolution (the “Buyback Mandate”);
- (b) to allot, issue or deal with Shares of an aggregate nominal amount of up to 20% of the aggregate nominal amount of the issued share capital of the Company on the date of passing of such resolution (the “Issuance Mandate”); and
- (c) to extend the Issuance Mandate by an amount representing the aggregate nominal amount of the Shares repurchased by the Company pursuant to and in accordance with the Buyback Mandate.

The Buyback Mandate and the Issuance Mandate will continue in force until the conclusion of the next annual general meeting of the Company held after the Annual General Meeting or any earlier date as referred to in ordinary resolutions nos. 4 and 5 set out in the notice of the Annual General Meeting. With reference to the Buyback Mandate and the Issuance Mandate, the Directors wish to state that they have no immediate plan to repurchase any Shares or issue any Shares pursuant thereto.

In accordance with the requirements of the Listing Rules, the Company is required to send to the Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the granting of the Buyback Mandate. The explanatory statement as required by the Listing Rules in connection with the Buyback Mandate is set out in the Appendix I to this circular.

Subject to the passing of the ordinary resolution no. 5 set out in the notice of the Annual General Meeting in respect of the granting of the Issuance Mandate and on the basis that the issued share capital of the Company remains unchanged up to the date of the Annual General Meeting, the Directors would be authorised under the Issuance Mandate to allot, issue and deal with additional Shares of the Company not exceeding a maximum of 144,877,200 Shares (representing 20% of the Shares in issue as at the Latest Practicable Date) during the period in which the Issuance Mandate remains in force.

LETTER FROM THE BOARD

3. PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME

The Existing Share Option Scheme allowing the Company to grant share options to participants for the purpose of, among others, providing incentives or rewards to the participants for their contribution to the Group, is valid and effective for a period of 10 years commencing on 4th September, 2003. Accordingly, the Existing Share Option Scheme will expire on 4th September, 2013. The Directors therefore consider to adopt the New Share Option Scheme so that the Company can continue to provide incentives and/or rewards to the participants by way of granting options after the expiry of the Existing Share Option Scheme.

Accordingly, an ordinary resolution will be proposed at the Annual General Meeting to approve the adoption of the New Share Option Scheme.

The terms of the New Share Option Scheme provide that in granting Options under the New Share Option Scheme, the Board may offer to grant any Options subject to such terms and conditions in relation to the minimum period of the Options to be held and/or the performance criteria to be satisfied before such Options can be exercised and/or any other terms as the Board may determine in its absolute discretion. The Board will also have the discretion in determining the Subscription Price in respect of any Option. The Board is of the view that the flexibility given to the Directors to impose the minimum period for which the Options have to be held and performance targets and other conditions that have to be achieved before the Options can be exercised, will place the Group in a better position to attract human resources that are valuable to the growth and development of the Group as a whole. There will not be any trustees of the New Share Option Scheme.

A summary of the terms of the New Share Option Scheme is set out in the Appendix II to this circular. A copy of the New Share Option Scheme is available for inspection at the Company's principal place of business in Hong Kong at Workshops E, F and H, on 22nd Floor, Superluck Industrial Centre (Phase 2), No. 57 Sha Tsui Road and Nos. 30-38 Tai Chung Road, Tsuen Wan, New Territories, Hong Kong during normal business hours from the date hereof up to and including the date of the Annual General Meeting.

The Directors consider that it is not appropriate to state the value of all the Options that can be granted under the New Share Option Scheme as if they had been granted at the Latest Practicable Date as a number of variables which are crucial for the calculation of the value of the Options have not been determined. Such variables include the exercise price, exercise period, any lock up period and other conditions, if any, that an Option is subject to. Accordingly, the Directors believe that any calculation of value of the Options as at the Latest Practicable Date based on a large number of speculative assumptions would not be meaningful and may be misleading to the Shareholders.

LETTER FROM THE BOARD

The New Share Option Scheme constitutes a share option scheme governed by Chapter 17 of the Listing Rules. The New Share Option Scheme is conditional upon:

- (i) the passing of an ordinary resolution at the Annual General Meeting approving the adoption of the New Share Option Scheme and the allotment and issuance of the Shares upon exercise of the Option(s); and
- (ii) the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in any new Shares which may fall to be allotted and issued upon exercise of the subscription rights attaching to the Options that may be granted under the New Share Option Scheme, being 10% of the issued share capital of the Company as at the date of passing of the relevant ordinary resolution for adoption of the New Share Option Scheme.

Subject to the passing of the ordinary resolution no. 7 set out in the notice of the Annual General Meeting in respect of the adoption of the New Share Option Scheme and assuming that the issued share capital of the Company remains at 724,386,000 Shares as at the date of Annual General Meeting, the Company can grant Options under the New Share Option Scheme to the Participants to subscribe for up to 72,438,600 Shares, representing 10% of the issued share capital of the Company as at the date of Annual General Meeting. To the best knowledge of the Directors having made all reasonable enquiries, none of the Shareholders has a material interest in the proposed adoption of the New Share Option Scheme and, therefore, no Shareholder is required to abstain from voting on the said resolution.

An application will be made to the Stock Exchange for granting approval of the listing of, and permission to deal in, the Shares which may be issued and allotted pursuant to the New Share Option Scheme.

4. PROPOSED RE-ELECTION OF RETIRING DIRECTORS

Pursuant to Article 87(1), one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation at each annual general meeting of the Company.

According to the above provision, Mr. Hui Sum Kwok and Ms. Hui Yuen Li, executive Directors, and Mr. Chee Man Sang, Eric, independent non-executive Director, shall retire from office at the Annual General Meeting and shall be eligible for re-election.

Mr Chee Man Sang, Eric who has been serving as independent non-executive Director of the Company for more than 9 years, has confirmed his independence with reference to the factors set out in Rule 3.13 of the Listing Rules. The Company considers Mr Chee Man Sang, Eric 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 for its efficient and effective functioning.

Details of the retiring Directors are set out in Appendix III of this circular.

LETTER FROM THE BOARD

5. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages 25 to 29 of this circular. At the Annual General Meeting, resolutions will be proposed to approve, inter alia, the granting of the Buyback Mandate and the Issuance Mandate, the extension of the Issuance Mandate by the addition thereto of the nominal amount of Shares repurchased pursuant to the Buyback Mandate, the adoption of the New Share Option Scheme and the re-election of the retiring Directors.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted by a show of hands. An announcement on the poll vote results will be published by the Company after the Annual General Meeting in the manner prescribed under Rule 13.39(5) of the Listing Rules.

A form of proxy for use at the Annual General Meeting is enclosed with this circular. The form of proxy is also published on the website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company's website (www.hopfungroup.com). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority at the Branch Share Registrar of the Company 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 Annual General Meeting or any adjournment thereof. Completion and delivery 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 and, in such event, the form of proxy shall be deemed to be revoked.

6. RECOMMENDATION

The Directors consider that the proposed granting of the Buyback Mandate, the proposed granting/ extension of the Issuance Mandate, the proposed adoption of the New Share Option Scheme and the proposed re-election of the retiring Directors are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of all the resolutions to be proposed at the Annual General Meeting.

7. GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendix I (Explanatory Statement on the Buyback Mandate), Appendix II (Summary of the Principal Terms of the New Share Option Scheme) and Appendix III (Details of the retiring Directors proposed to be re-elected at the Annual General Meeting) to this circular.

Yours faithfully,
By Order of the Board
Hop Fung Group Holdings Limited
HUI Sum Kwok
Chairman

The following is an explanatory statement required by the Listing Rules to be sent to the Shareholders to enable them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the Annual General Meeting in relation to the granting of the Buyback Mandate.

1. REASONS FOR BUYBACK OF SHARES

The Directors believe that the granting of the Buyback Mandate is in the interests of the Company and the Shareholders. Repurchases of Shares may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share. The Directors are seeking the granting of the Buyback Mandate to give the Company the flexibility to do so if and when appropriate. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time, having regard to the circumstances then pertaining.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 724,386,000 Shares.

Subject to the passing of the ordinary resolution no. 4 set out in the notice of the Annual General Meeting in respect of the granting of the Buyback Mandate and on the basis that the issued share capital of the Company remains unchanged up to the date of the Annual General Meeting, the Directors would be authorised under the Buyback Mandate to repurchase a maximum of 72,438,600 Shares (representing 10% of the Shares in issue as at the Latest Practicable Date) during the period in which the Buyback Mandate remains in force.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum and Articles of Association, the laws of the Cayman Islands and/or any other applicable laws, as the case may be.

4. IMPACT OF REPURCHASES

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 consolidated financial statements contained in the Annual Report) in the event that the Buyback Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Buyback Mandate to such 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.

5. TAKEOVERS CODE

If as a result of a repurchase of shares, a shareholder's proportionate interest in the voting rights of a company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. As a result, a shareholder, or a group of shareholders acting in concert (within the meaning under the Takeovers Code), could obtain or consolidate control of the company and become(s) obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, Messrs Hui Sum Kwok and Hui Sum Ping, the executive Directors of the Company, in aggregate were beneficially interested in 412,841,793 Shares representing 56.99% of the issued share capital of the Company. In the event that the Directors exercise in full the power to repurchase Shares in accordance with the Buyback Mandate, the shareholding of the aforesaid executive Directors would be increased to approximately 63.32% of the issued share capital of the Company. Accordingly, the Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any repurchases to be made under the Buyback Mandate. The Directors have no intention to exercise the Buyback Mandate to such an extent that the number of Shares in the hands of the public falling below the prescribed minimum percentage (under the Listing Rules) of 25%.

6. GENERAL

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their respective associates have any present intention to sell any Shares to the Company in the event that the granting of the Buyback Mandate is approved by the Shareholders.

The Company has not been notified by any connected persons of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the granting of the Buyback Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases of Shares pursuant to the Buyback Mandate in accordance with the Listing Rules and the laws of the Cayman Islands.

7. MARKET PRICES OF SHARES

The highest and lowest prices per Share at which the Shares have traded on the Stock Exchange during each of the following months were as follows:

Month	Highest HK\$	Lowest HK\$
2012		
April	0.393	0.380
May	0.373	0.253
June	0.287	0.195
July	0.240	0.207
August	0.248	0.220
September	0.245	0.197
October	0.250	0.218
November	0.300	0.255
December	0.350	0.265
2013		
January	0.385	0.300
February	0.320	0.270
March	0.300	0.260
April (up to the Latest Practicable Date)	0.300	0.270

8. REPURCHASES OF SHARES MADE BY THE COMPANY

No repurchase of Shares has been made by the Company during the previous six months (whether on the Stock Exchange or otherwise).

The following is a summary of the principal terms of the New Share Option Scheme to be approved at the Annual General Meeting. It does not form part of, nor is it intended to be part of, the rules of the New Share Option Scheme and it should not be taken as affecting the interpretation of the rules of the New Share Option Scheme required to be included in the New Share Option Scheme as pursuant to the Listing Rules.

1. PURPOSE OF THE NEW SHARE OPTION SCHEME

The purpose of the New Share Option Scheme is to provide incentives or rewards to the Participants thereunder for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group and any Invested Entity.

2. PARTICIPANTS

The Directors may, at their absolute discretion, invite any person belonging to any of the following classes of Participants, to take up Options to subscribe for Shares:

- (a) any Eligible Employee;
- (b) any director (including executive directors, non-executive directors and independent non-executive directors) of any member of the Group or any Invested Entity;
- (c) any supplier of goods or services to any member of the Group or any Invested Entity;
- (d) any customer of any member of the Group or any Invested Entity;
- (e) any person or entity that provides research, development or other technological support or any consultancy, advisory, professional or other services to any member of the Group or any Invested Entity;
- (f) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;
- (g) any joint venture partner, business or strategic alliance partner, in each case, of any member of the Group or any Invested Entity; and
- (h) any discretionary trust whose discretionary objects may be any person belonging to any of the above classes (a) to (g),

The basis of eligibility of any of the above classes of Participants to the grant of any Options shall be determined by the Directors from time to time on the basis of their contribution to the development and growth of the Group and the Invested Entity.

3. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- (3.1) The maximum number of Shares to be issued upon exercise of all outstanding Options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 30% of the issued share capital of the Company from time to time.
- (3.2) The total number of Shares which may be issued upon exercise of all Options (excluding, for this purpose, Options which have lapsed in accordance with the terms of the New Share Option Scheme and any other share option schemes of the Company) to be granted under the New Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 10% of the Shares in issue as at the date of the passing of the ordinary resolution for adoption of the New Share Option Scheme (the “**General Scheme Limit**”).
- (3.3) Subject to sub-paragraph (3.1) above and without prejudice to sub-paragraph (3.4) below, the Company may seek approval of the Shareholders in general meeting to refresh the General Scheme Limit provided that the total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any other share option schemes of the Company under the limit as “refreshed” must not exceed 10% of the Shares in issue as at the date of approval of such limit and for the purpose of calculating the limit as “refreshed”, Options (including those outstanding, cancelled, lapsed or exercised in accordance with the terms of New Share Option Scheme and any other share option schemes of the Company) previously granted under the New Share Option Scheme and any other share option schemes of the Company will not be counted.
- (3.4) Subject to sub-paragraph (3.1) above and without prejudice to sub-paragraph (3.3) above, the Company may seek separate Shareholders’ approval in general meeting to grant Options beyond the General Scheme Limit or, if applicable, the limit referred to in sub-paragraph (3.3) above to Participants specifically identified by the Company before such approval is sought.

4. MAXIMUM ENTITLEMENT OF EACH PARTICIPANT

The total number of Shares issued and which may fall to be issued upon exercise of the Options granted under the New Share Option Scheme and any other share option schemes of the Company (including both exercised and outstanding Options) to each Participant in any 12-month period must not exceed 1% of the issued share capital of the Company for the time being (the “**Individual Limit**”). Any further grant of Options to a Participant in excess of the Individual Limit (including exercised, cancelled and outstanding Options) in any 12-month period up to and including the date of such further grant must be subject to the Shareholders’ approval in general meeting of the Company with such Participant and his or her associates abstaining from voting. The number and terms (including the Subscription Price) of the Options to be granted to such Participant must be fixed before Shareholders’ approval and the date of the meeting of the Board for proposing such further grant of Options should be taken as the date of Offer for the purpose of calculating the Subscription Price.

5. GRANT OF OPTIONS TO CONNECTED PERSONS

- (5.1) Any grant of Options under the New Share Option Scheme to a Director, chief executive (other than a proposed Director or a proposed chief executive of the Company) or substantial shareholder of the Company or any of their respective associates must be approved by independent non-executive Directors (excluding any independent non-executive Director who is the Grantee of the Options).
- (5.2) Where any grant of Options to a substantial shareholder or an independent non-executive Director of the Company, or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:
- (a) representing in aggregate over 0.1% of the relevant class of Shares in issue; and
 - (b) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5,000,000,

such further grant of Options must be approved by the Shareholders in a general meeting. All connected persons of the Company must abstain from voting in favour at such general meeting, except that any connected person may vote against the relevant resolution at the general meeting provided that his or her intention to do so has been stated in the relevant circular.

For the purpose of seeking Shareholders’ approval in general meeting under sub-paragraphs (3.3) and (3.4), paragraph 4 and sub-paragraph (5.2) above, the Company must send a circular to the Shareholders containing the information required under the Listing Rules.

6. TIME OF ACCEPTANCE AND EXERCISE OF AN OPTION

An Offer may be accepted by a Participant within 28 days from the Offer Date. A consideration of HK\$1.00 is payable on acceptance of the Offer. An Option may be exercised in accordance with the terms of the New Share Option Scheme at any time during a period to be determined and notified by the Directors to each Grantee, which period may commence on the day on which the Offer is made but shall end in any event not later than 10 years from the Offer Date subject to the provisions for early termination thereof (the “**Option Period**”).

Unless the Directors otherwise determined and stated in the Offer to a Participant, there is no minimum period for which an Option granted under the New Share Option Scheme must be held before it can be exercised.

7. PERFORMANCE TARGETS

Unless the Directors otherwise determined and stated in the Offer to a Participant, a Participant is not required to achieve any performance targets before any Options granted under the New Share Option Scheme can be exercised.

8. SUBSCRIPTION PRICE FOR SHARES

The Subscription Price in respect of any particular Option shall be such price as determined by the Board in its absolute discretion at the time of the making of the Offer (which shall be stated in the letter containing the Offer) but in any case the Subscription Price shall not be less than the highest of (i) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on the Offer Date, which must be a Trading Day; (ii) the average closing price of the Shares as stated in the Stock Exchange’s daily quotations sheets for the 5 Trading Days immediately preceding the Offer Date; and (iii) the nominal value of a Share. Without prejudice to the generality of the foregoing, the Board may grant Options in respect of which the Subscription Price is fixed at different prices for different periods during the Option Period provided that the Subscription Price for each of the different periods shall not be less than the Subscription Price determined in the manner set out herein.

9. LIFE OF THE NEW SHARE OPTION SCHEME

Subject to paragraph 16, the New Share Option Scheme will remain in force for a period of 10 years commencing on the date on which the New Share Option Scheme is conditionally adopted by the Company at a general meeting of the Shareholders.

10. RANKING OF SHARES

The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the Articles of Association of the Company for the time being in force and will rank pari passu in all respects with the fully paid Shares in issue as from the day when the name of the Grantee is registered on the register of members of the Company and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the date when the name of the Grantee is registered on the register of members of the Company other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with respect to a record date which shall be before the date when the name of the Grantee is registered on the register of members of the Company, provided always that when the date of exercise of the Option falls on a day upon which the register of members of the Company is closed then the exercise of the Option shall become effective on the first Business Day on which the register of members of the Company is re-opened. A Share allotted upon the exercise of an Option shall not carry voting rights until the completion of the registration of the Grantee as the holder thereof.

11. TRANSFERABILITY OF OPTIONS

An Option is personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any Option. Any breach of the foregoing shall entitle the Company to cancel any outstanding Option or part thereof granted to such Grantee.

12. RIGHTS ATTACHING TO OPTIONS**(12.1) Rights on ceasing employment or engagement**

If the Grantee of an Option (being an Eligible Employee or a director of any member of the Group or any Invested Entity) ceases to be a Participant for any reason other than death or termination of employment or engagement on one or more grounds referred to in sub-paragraph (12.3) below before exercising his or her Option in full, the Option (to the extent not already exercised) will lapse on the date of cessation and will not be exercisable unless the Directors otherwise determine in which event the Grantee may exercise the Option (to the extent not already exercised) in whole or in part within such period as the Directors may determine following the date of such cessation, which will be taken to be the last day on which the Grantee was at work with the Group or the Invested Entity whether salary is paid in lieu of notice or not.

(12.2) Rights on death

If the Grantee of an Option ceases to be a Participant by reason of death before exercising the Option in full (provided that none of the events which would be a ground for termination of his or her employment or engagement under sub-paragraph (12.3) below arises prior to his or her death), the legal personal representative(s) of this Grantee shall be entitled within a period of 6 months from the date of death (or such longer period as the Board may determine) to exercise the Option (to the extent which has become exercisable and not already exercised).

(12.3) Rights on dismissal

If the Grantee of an Option (being an Eligible Employee or a director of any member of the Group or any Invested Entity) ceases to be a Participant by reason that he or she has been guilty of serious misconduct, or has committed an act of bankruptcy or has become insolvent or has made any arrangements or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty or (if so determined by the Board) on any other ground on which an employer would be entitled to terminate his or her employment or engagement at common law or pursuant to any applicable laws or under the Grantee's service contract with the Company or the relevant Subsidiary or the relevant Invested Entity, his or her Option will lapse automatically on the date the Grantee ceases to be an Eligible Employee or a director of any member of the Group or any Invested Entity.

(12.4) Rights on breach of contract

If the Directors at their absolute discretion determine that the Grantee (other than an Eligible Employee) or his or her associate has committed any breach of any contract entered into between the Grantee or his or her associate on the one part and the Group or any Invested Entity on the other part or that the Grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his or her creditors generally, the Directors shall determine that the outstanding Options granted to the Grantee shall lapse. In such event, his or her Options will lapse automatically and will not in any event be exercisable on or after the date on which the Directors have so determined.

(12.5) Rights on a general offer

If a general or partial offer, whether by way of take-over offer, share re-purchase offer, or scheme of arrangement or otherwise in like manner is made to all the holders of Shares, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, the Company shall use all reasonable endeavours to procure that such offer is extended to all the Grantees on the same terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the Options granted to them, Shareholders. If such offer becomes or is declared unconditional, a Grantee shall be entitled to exercise his or her Option (to the extent not already exercised) to its full extent or to the extent specified in the Grantee's notice to the Company in exercise of his or her Option at any time before the close of such offer (or any revised offer). Subject to the above, an Option will lapse automatically (to the extent not exercised) on the date on which such offer (or, as the case may be, revised offer) closes.

(12.6) Rights on winding up

In the event of an effective resolution being proposed for the voluntary winding-up of the Company during the Option Period, the Grantee (or where permitted under sub-paragraph (12.2), his or her legal personal representative(s)) may, subject to the provisions of all applicable laws, by notice in writing to the Company at any time no later than five Business Days prior to the date on which such resolution is to be passed, exercise his or her Option (to the extent which has become exercisable and not already exercised) either to its full extent or to the extent specified in such notice in accordance with the provisions of the New Share Option Scheme and shall accordingly be entitled, in respect of the Shares falling to be allotted and issued upon the exercise of his or her Option, to participate in the distribution of the assets of the Company available in liquidation *pari passu* with the Shares in issue on the date prior to the date of the passing of the resolution to wind-up the Company. Subject to the above, an Option will lapse automatically (to the extent not exercised) on the date of the commencement of the winding-up of the Company.

(12.7) Rights on compromise or arrangement between the Company and its creditors

In the event of a compromise or an arrangement between the Company and its creditors (or any class of them) or between the Company and its Shareholders (or any class of them), in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all Grantees on the same day as it gives notice of the meeting to its Shareholders or creditors to consider such a compromise or arrangement, and thereupon any Grantee (or his or her legal representative(s)) may forthwith and until the expiry of the period commencing with such date and ending with the earlier of the date falling two calendar months thereafter and the date on which such compromise or arrangement is sanctioned by the Court be entitled to exercise his or her Option (to the extent which has become exercisable and not already exercised), but the exercise of the Option shall be conditional upon such compromise or arrangement being sanctioned by the Court and becoming effective. The Company may thereafter require such Grantee to transfer or otherwise deal with the Shares issued as a result of such exercise of his or her Option so as to place the Grantee in the same position as nearly as would have been the case had such Shares been subject to such compromise or arrangement. Subject to the above, an Option will lapse automatically (to the extent not exercised) on the date the proposed compromise or arrangement becomes effective.

13. LAPSE OF OPTION

An Option shall lapse automatically (to the extent not already exercised) on the earliest of:

- (a) the expiry of the periods or dates referred to in paragraphs 6 and 12; and
- (b) the date on which a breach of the provision of restriction on transfer and assignment of an Option referred to in paragraph 11 is committed.

14. REORGANIZATION OF CAPITAL STRUCTURE

In the event of a capitalization issue, rights issue, sub-division or consolidation of Shares or reduction of capital of the Company (other than an issue of Shares as consideration in respect of a transaction to which the Company is a party), such corresponding adjustments (if any) shall be made in:

- (a) the number of Shares subject to the Options so far as unexercised; and/or
- (b) the Subscription Price; and/or
- (c) the maximum number of Shares referred to in paragraphs 3 and 4,

as an independent financial adviser or the auditors of the Company shall certify in writing to the Board to be in their opinion fair and reasonable and at the same time satisfy the requirement of the Listing Rules, provided that any adjustments shall be made on the basis that the proportion of the issued share capital of the Company to which a Grantee is entitled after such adjustments shall remain the same as that to which he or she was entitled before such adjustments and no such adjustments shall be made the effect of which would be to enable any Share to be issued at less than its nominal value and no such adjustments will be required in circumstances where there is an issue of Shares or other securities of the Group as consideration in a transaction. In addition, in respect of any such adjustments as provided in this paragraph 14, other than any made on a capitalization issue, the independent financial adviser or auditors of the Company must confirm in writing to the Directors that the adjustments satisfy the requirements of the relevant provision of the Listing Rules.

15. CANCELLATION OF OPTIONS

Any cancellation of Options granted but not exercised shall require approval of the Shareholders in general meeting. Cancelled Options may be re-issued after such cancellation has been approved, provided that re-issued Options shall only be granted in compliance with the terms of the New Share Option Scheme and the Listing Rules. Where the Company cancels Options and issues new ones to the same Option holder, the issue of such new Options may only be made under a scheme with available unissued Options (excluding the cancelled Options) within the limit approved by Shareholders as mentioned in paragraph 3. For the avoidance of doubt, Options which have been exercised shall not be included as cancelled Options.

16. TERMINATION OF THE NEW SHARE OPTION SCHEME

The Company may by resolution in general meeting at any time terminate the operation of the New Share Option Scheme and in such event no further Options will be offered but the provisions of the New Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any Options (to the extent not already exercised) granted prior to the termination or otherwise as may be required in accordance with the provisions of the New Share Option Scheme. Options (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with the New Share Option Scheme.

17. ALTERATION OF THE NEW SHARE OPTION SCHEME

(17.1) The New Share Option Scheme may be altered in any aspect by resolution of the Board except that:

- (a) the terms and conditions of the New Share Option Scheme relating to the matters set out in Rule 17.03 of the Listing Rules shall not be altered to the advantage of the Participants of the Options except with the prior approval of the Shareholders in general meeting;
- (b) any alterations to the terms and conditions of the New Share Option Scheme which are of a material nature or any change to the terms of Options granted must be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the New Share Option Scheme; and
- (c) any change to the authority of the Directors or scheme administrators in relation to any alteration to the terms of the New Share Option Scheme must be approved by the Shareholders in general meeting.

(17.2) The amended terms of the New Share Option Scheme or the Options must still comply with the relevant requirements of Chapter 17 of the Listing Rules.

The following are details of the Directors who will retire and being eligible offer themselves for re-election at the Annual General Meeting.

Mr. Hui Sum Kwok, aged 53, Executive Director

Experience

Mr. Hui Sum Kwok is the chairman of the Board and the executive Director of the Company. Mr. Hui is also a director of the principal subsidiaries of the Company (as stated in the Annual Report), except Able Achieve Limited, Green Forest (QingXin) Paper Industrial Limited and 合豐紙品(深圳)有限公司. Mr. Hui is a co-founder of the Group and is responsible for the overall corporate planning, business development and management of the Group. Mr. Hui has over 28 years of experience in the corrugated packaging industry in Hong Kong and the PRC. Mr. Hui did not hold any other directorship in companies listed in Hong Kong or overseas in the last three years.

Length of service

The length of service of Mr. Hui Sum Kwok with the Group is 22 years. There is a service agreement between Mr. Hui and the Company for a period of two years until 14th September, 2014. Mr. Hui is subject to retirement by rotation and is eligible to re-election in accordance with the Articles of Association of the Company.

Relationships

Mr. Hui Sum Kwok is a brother of Mr. Hui Sum Ping (vice chairman of the Board, executive Director and substantial shareholder of the Company) and Mr. Hui Sum Tai (executive Director and chief executive officer of the Company), and the spouse of Ms. Wong Mui (deputy general manager of the Group).

Interests in Shares

As at the Latest Practicable Date, Mr. Hui Sum Kwok was interested or deemed to be interested in 406,691,074 Shares or underlying Shares pursuant to Part XV of the SFO.

Director's emoluments

Pursuant to the service agreement entered into between Mr. Hui Sum Kwok and the Company, Mr. Hui is entitled to receive an annual remuneration of HK\$2,293,000, which was determined based on his expertise and experience in the field. Besides, Mr. Hui is entitled to receive a discretionary bonus to be decided by the Board.

Information that needs to be disclosed and matters that need to be brought to the attention of the Shareholders

There is no information which is discloseable nor is Mr. Hui Sum Kwok involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr. Hui that need to be brought to the attention of the Shareholders.

Ms. Hui Yuen Li, aged 42, Executive Director

Experience

Ms. Hui Yuen Li is the executive Director, the company secretary and a member of Remuneration Committee and Nomination Committee of the Company. Ms. Hui is responsible for the financial management of the Group. Ms. Hui is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants. Ms. Hui worked in an international accounting firm prior to joining the Group in May 1997. Ms. Hui obtained a degree of Bachelor of Arts with Honours in Accountancy from the City University of Hong Kong in 1992. Ms. Hui did not hold any other directorship in companies listed in Hong Kong and overseas in the last three years.

Length of service

The length of service of Ms. Hui Yuen Li with the Group is 15 years. There is a service agreement between Ms. Hui and the Company for a period of two year until 14th September, 2014. Ms. Hui is subject to retirement by rotation and is eligible to re-election in accordance with the Articles of Association of the Company.

Relationships

Ms. Hui Yuen Li does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

Interests in shares

As at the Latest Practicable Date, Ms. Hui Yuen Li was interested or deemed to be interested in 6,801,460 Shares or underlying Shares pursuant to Part XV of the SFO.

Director's emoluments

Pursuant to the service agreement entered into between Ms. Hui Yuen Li and the Company, Ms. Hui is entitled to receive an annual remuneration of HK\$715,000, which was determined based on her expertise and experience in the field. Besides, Ms. Hui is entitled to receive a discretionary bonus to be decided by the Board.

Information that needs to be disclosed and matters that need to be brought to the attention of the Shareholders

There is no information which is discloseable nor is Ms. Hui Yuen Li involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Ms. Hui that need to be brought to the attention of the Shareholders.

Mr. Chee Man Sang, Eric, aged 51, Independent Non-executive Director

Experience

Mr. Chee Man Sang, Eric is the independent non-executive Director, chairman of both the Audit Committee and the Remuneration Committee and a member of the Nomination Committee of the Company. Mr. Chee is a practising Certified Public Accountant in Hong Kong and a senior partner of Chan Chee Cheng & Co., a firm of Certified Public Accountants. Mr. Chee worked in two international accounting firms in Canada and Hong Kong. Mr. Chee is an associate member of the Hong Kong Institute of Certified Public Accountants and a member of the Institute of Chartered Accountants of Ontario, Canada. Mr. Chee is also an executive director of Mastermind Capital Limited and a non-executive director of Bestway International Holdings Limited and used to be an independent non-executive director of Viva China Holdings Limited (formerly known as Coolpoint Energy Limited), all these companies listed on the Stock Exchange.

Length of service

The length of service of Mr. Chee Man Sang, Eric with the Company is 9.5 years. There is a service agreement between Mr. Chee and the Company for a period of two years until 14th September, 2014. Mr. Chee is subject to retirement by rotation and is eligible to re-election in accordance with the Articles of Association of the Company.

Relationships

Mr. Chee Man Sang, Eric does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company.

Interests in Shares

As at the Latest Practicable Date, Mr. Chee Man Sang, Eric was interested or deemed to be interested in 237,432 Shares or underlying Shares pursuant to Part XV of the SFO.

Director's emoluments

Pursuant to the service agreement entered into between Mr. Chee Man Sang, Eric and the Company, Mr. Chee is entitled to receive a director's fee of HK\$140,000 per annum, which was determined by the Board and Mr. Chee by reference to his experience, responsibilities, workload, the time devoted to the Company, the Group's performance and the current market situation.

Information that needs to be disclosed and matters that need to be brought to the attention of the Shareholders

There is no information which is discloseable nor is Mr. Chee Man Sang, Eric involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr. Chee that need to be brought to the attention of the Shareholders.

NOTICE OF THE ANNUAL GENERAL MEETING



合豐集團控股有限公司

HOP FUNG GROUP HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 2320

NOTICE IS HEREBY GIVEN that an Annual General Meeting of Hop Fung Group Holdings Limited (the “Company”) will be held at Ming Room II, 4/F, Sheraton Hong Kong Hotel & Towers, 20 Nathan Road, Kowloon, Hong Kong on Monday, 3rd June, 2013 at 10:30 a.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements of the Company, Directors’ Report and Independent Auditor’s Report for the year ended 31st December, 2012;
2. To re-elect retiring Directors and to authorise the Board of Directors to fix the Directors’ remuneration;
3. To appoint Auditor and to authorise the Board of Directors to fix their remuneration;
4. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to purchase its shares, subject to and in accordance with the applicable laws, be and is hereby generally and unconditionally approved;
- (b) the total nominal amount of shares of the Company to be purchased pursuant to the approval in paragraph (a) above shall not exceed 10% of the total nominal amount of the share capital of the Company in issue on the date of passing of this resolution and the said approval shall be limited accordingly; and
- (c) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the revocation or variation of the authority given under this resolution by ordinary resolution passed by the Company’s Shareholders in general meeting;and

NOTICE OF THE ANNUAL GENERAL MEETING

- (iii) 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 laws to be held.”;
5. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with authorised and unissued shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors to make or grant offers, agreements and options during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as defined below);
 - (ii) the exercise of options under a share option scheme of the Company; and
 - (iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Articles of Association of the Company,

shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company on the date of the passing of this resolution and the said approval shall be limited accordingly; and

- (d) for the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the revocation or variation of the authority given under this resolution by ordinary resolution passed by the Company’s Shareholders in general meeting; and

NOTICE OF THE ANNUAL GENERAL MEETING

- (iii) 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 laws to be held;

“**Rights Issue**” means an offer of shares open for a period fixed by the Directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognised regulatory body or any stock exchange).”;

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

“**THAT** conditional upon the passing of resolutions nos. 4 and 5 set out in the notice convening this meeting, the general mandate referred to in resolution no. 5 above be and is hereby extended by the addition to the aggregate nominal amount of shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the Directors pursuant to such general mandate of an amount representing the aggregate nominal amount of shares purchased by the Company pursuant to the mandate referred to in resolution no. 4 above, provided that such amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution.”;

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

“**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting approval of the listing of and permission to deal in the shares to be issued pursuant to the exercise of any options granted under the new share option scheme of the Company (the “**New Share Option Scheme**”, a copy of which marked “A” is produced to the meeting and for the purposes of identification signed by the Chairman thereof), the New Share Option Scheme be and is hereby approved and adopted, and the Board of Directors of the Company be and is hereby authorized to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the New Share Option Scheme, including but without limitation:

- (a) to administer the New Share Option Scheme under which options will be granted to Participants eligible under the New Share Option Scheme to subscribe for shares of the Company;

NOTICE OF THE ANNUAL GENERAL MEETING

- (b) to modify and/or amend the New Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the New Share Option Scheme relating to modification and/or amendment;
- (c) to issue and allot from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of the options under the New Share Option Scheme provided always that the total number of shares subject to the New Share Option Scheme, when aggregated with any shares subject to any other share option schemes, shall not exceed 10% of the relevant class of the issued share capital of the Company as at the date of passing this resolution, but the Company may seek approval of its shareholders in general meeting for refreshing the 10% limit under the New Share Option Scheme and the maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company shall not exceed 30% of the relevant class of the issued share capital of the Company from time to time;
- (d) to make applications at the appropriate time or times to the Stock Exchange and any other stock exchanges upon which the issued shares of the Company may for the time being be listed, for listing of and permission to deal in any shares which may hereafter from time to time be issued and allotted pursuant to the exercise of the options under the New Share Option Scheme; and
- (e) to consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the New Share Option Scheme.”

On behalf of the Board
HUI Sum Kwok
Chairman

Hong Kong, 19th April, 2013

NOTICE OF THE ANNUAL GENERAL MEETING

Notes:

1. Any Shareholder of the Company entitled to attend and vote at the meeting convened by this notice is entitled to appoint a proxy to attend and vote on his behalf. A proxy need not be a Shareholder of the Company. A Shareholder who is the holder of two or more shares of the Company may appoint more than one proxy to represent him to attend and vote on his behalf. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. To be valid, a form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, must be deposited at 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 the holding of the meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a Shareholder of the Company from attending and voting in person at the meeting or any adjournment thereof and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
3. The register of members of the Company will be closed from Thursday, 30th May, 2013 to Monday, 3rd June, 2013 (both days inclusive), during which period no transfer of shares of the Company will be registered and no shares will be allotted and issued on the exercise of the subscription rights attaching to the outstanding share options granted by the Company. In order to qualify for attending the Annual General Meeting of the Company, all transfers of shares of the Company accompanied by the relevant share certificates and appropriate transfer forms 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, for registration not later than 4:00 p.m. on Wednesday, 29th May, 2013.
4. In relation to the ordinary resolutions nos. 4, 5 and 6 set out in the above notice, the Directors wish to state that they have no immediate plan to issue any new shares or repurchase any existing shares of the Company.

As at the date of this circular, the executive Directors of the Company are Messrs Hui Sum Kwok, Hui Sum Ping, Hui Sum Tai and Miss Hui Yuen Li and the independent non-executive Directors of the Company are Messrs Chee Man Sang, Eric, Yip Kwok Kwan and Wong Chu Leung.