

**If you are in doubt** as to any aspect of this circular or as to the action you should take, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold** all your shares in Li Ning Company Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser.

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**Li Ning Company Limited**  
**(李寧有限公司)**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2331)**

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

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A notice convening the annual general meeting of Li Ning Company Limited to be held at Salon 1-3, JW Marriott Ballroom, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Friday, 11 May 2007 at 11:00 a.m. is set out in this circular. Whether or not you are able to attend the meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting should you so wish.

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## DEFINITIONS

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

“2006 Annual Report”	the annual report of the Company for the financial year ended 31 December 2006 dispatched to the Shareholders together with this circular
“AGM”	the annual general meeting of the Company to be held at Salon 1-3, JW Marriott Ballroom, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Friday, 11 May 2007 at 11:00 a.m., notice of which is set out in this circular
“Articles of Association”	the articles of association of the Company
“Board”	the board of Directors of the Company
“Company”	Li Ning Company Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Hong Kong Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Latest Practicable Date”	4 April 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s) in issue
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“US\$”	the United States Dollars, the lawful currency of the United States



**Li Ning Company Limited**

**(李寧有限公司)**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2331)**

*Executive Directors*

LI Ning (李寧) (*Chairman*)

ZHANG Zhi Yong (張志勇) (*Chief Executive Officer*)

TAN Wee Seng (陳偉成) (*Chief Financial Officer*)

*Non-executive Directors*

LIM Meng Ann (林明安)

Stuart SCHONBERGER

*Independent non-executive Directors*

KOO Fook Sun, Louis (顧福身)

WANG Ya Fei, Jane (王亞非)

CHAN Chung Bun, Bunny (陳振彬)

*Registered Office*

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Principal place of business*

Suites 2804-5

Shell Tower, Times Square

Causeway Bay

Hong Kong

16 April 2007

*To Shareholders*

Dear Sir or Madam,

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

**INTRODUCTION**

The purpose of this circular is to give Shareholders information on matters to be dealt with at the forthcoming AGM, which include (i) re-election of Directors; and (ii) grant of general mandates to issue and repurchase Shares.

**RE-ELECTION OF DIRECTORS**

In relation to resolution No. 3(a) in the notice of the AGM, Mr. Li Ning (an executive Director), Mr. Zhang Zhi Yong (an executive Director), Mr. Lim Meng Ann (a non-executive Director) and Mr. Koo Fook Sun, Louis (an independent non-executive Director) shall retire at the AGM by rotation pursuant to Article 87 of the Articles of Association and the Code on Corporate Governance Practices as

## LETTER FROM THE CHAIRMAN

set out in Appendix 14 of the Listing Rules and, being eligible, offer themselves for re-election. The biographical details and interests in the Shares of all retiring Directors proposed to be re-elected at the AGM are set out in Appendix II to this circular.

Mr. Li Ning and Mr. Zhang Zhi Yong, both being executive Directors, have each entered into a service contract with the Company for a term of three years commencing from 28 June 2004. Under such service contracts, the annual fees and remuneration payable to Mr. Li and Mr. Zhang are US\$330,000 and US\$300,000, respectively and are subject to review by the Board at the end of each financial year. Mr. Li Ning and Mr. Zhang Zhi Yong are also entitled to a discretionary year-end bonus of an amount to be determined by the Board. Mr. Li and Mr. Zhang have each agreed with the Company to enter into a new service contract for a further term of three years commencing from 28 June 2007 on terms and conditions to be mutually agreed.

Mr. Lim Meng Ann (a non-executive Director) and Mr. Koo Fook Sun, Louis (an independent non-executive Director) have each entered into a service contract with the Company for a term of three years commencing from 28 June 2004. The annual fee payable by the Company to each of them under such service contracts is HK\$150,000. Mr. Lim and Mr. Koo have each agreed with the Company to enter into a new service contract for a further term of three years commencing from 28 June 2007 on terms and conditions to be mutually agreed.

The remuneration policy for the Directors is set out in the “Corporate Governance Report” in the 2006 Annual Report. Reference has been made by the Company to the individual performance and the comparative market conditions in deciding the relevant amount of remuneration of the relevant Director.

Mr. Li Ning is a substantial shareholder of the Company within the meaning of Part XV of the SFO. Mr. Li Ning’s brother, Mr. Li Chun, is also a substantial shareholder of the Company within the meaning of Part XV of the SFO. Mr. Lim Meng Ann is the senior vice president of GIC Special Investments Pte. Ltd. (“GIC”). GIC manages an investment vehicle which is a substantial shareholder of the Company within the meaning of Part XV of the SFO. Apart from these, none of the above retiring Directors has any other relationship with any other Directors, senior management or substantial or controlling shareholders of the Company.

Save as disclosed in this circular, there are no other matters in relation to the above Directors that need to be brought to the attention of the Shareholders. Save as disclosed in this circular, there is no other information required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

Under resolution No. 3(a), the re-election of Directors will be voted by the Shareholders individually.

## LETTER FROM THE CHAIRMAN

### GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

By an ordinary resolution passed by the Shareholders on 12 May 2006, general and unconditional mandates were granted to the Directors to issue and repurchase Shares. Up to the Latest Practicable Date, the Directors have not exercised such mandates to issue and repurchase Shares and such mandates will expire at the closing of the AGM. The Directors believe that renewal of such general mandates is in the interest of the Company and the Shareholders. Accordingly, the following ordinary resolutions will be proposed at the AGM in order to grant to the Directors the new general and unconditional mandates to exercise the powers of the Company to issue and repurchase Shares:

- (i) an ordinary resolution (resolution No. 5) to grant to the Directors a general and unconditional mandate to authorise them to allot, issue and deal with the additional Shares up to 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of the AGM (the “Issue Mandate”);
- (ii) an ordinary resolution (resolution No. 6) to grant to the Directors a general and unconditional mandate to authorise them to repurchase Shares up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the AGM (the “Repurchase Mandate”); and
- (iii) conditional upon the passing of the resolutions No. 5 and No. 6 as stated above, an ordinary resolution (resolution No. 7) to extend the Issue Mandate by an amount representing the aggregate nominal amount of Shares purchased by the Company under the Repurchase Mandate provided that such aggregated amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the AGM.

On the basis that no further Shares are issued or repurchased prior to the AGM, the Company would be allowed to issue a maximum of 206,569,466 Shares under the Issue Mandate and to repurchase a maximum of 103,284,733 Shares under the Repurchase Mandate.

Shareholders are invited to refer to the notice of the AGM set out in this circular for details of the abovementioned ordinary resolutions. An explanatory statement, as required by the Listing Rules to be sent to the Shareholders in connection with the Repurchase Mandate, is also set out in Appendix I to this circular. Such Appendix contains all the information reasonably necessary to enable the Shareholders to make an informed decision on whether or not to vote for or against the ordinary resolution to grant the Repurchase Mandate at the AGM.

### RIGHT TO DEMAND A POLL

In accordance with Article 66 of the Articles of Association, resolutions proposed at the AGM shall be put to the voting at the meeting on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded by:

- (i) the chairman of the AGM; or
- (ii) at least three Shareholders present in person or, in the case of a Shareholder being a corporation, by its duly authorised representative or by proxy for the time being entitled to vote at the AGM; or

## LETTER FROM THE CHAIRMAN

- (iii) a Shareholder or Shareholders present in person or, in the case of a Shareholder being a corporation, by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all the Shareholders having the right to vote at the AGM; or
- (iv) a Shareholder or Shareholders present in person or, in the case of a Shareholder being a corporation, by its duly authorised representative or by proxy and holding shares in the Company conferring a right to vote at the AGM being shares on which an aggregate sum has been paid equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

For the sake of good corporate governance, the Chairman intends to demand poll voting for all the resolutions set out in the notice of the AGM.

In accordance with the requirements of the Listing Rules, the results of the poll will be published by way of an announcement in local newspapers, on the Company's website and the website of the Hong Kong Stock Exchange on the business day following the date of the AGM.

### RECOMMENDATION

The Directors believe that the proposals mentioned above, including the proposals for the re-election of the retiring Directors, the grant of the general mandates to issue, allot and repurchase Shares and the extension of the Issue Mandate are in the interests of the Company and the Shareholders. The Directors recommend the Shareholders to vote in favour of all the relevant resolutions to be proposed at the AGM.

Yours faithfully,  
**LI Ning**  
*Chairman*

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide the requisite information to the Shareholders for their consideration of the proposed resolutions in relation to the Repurchase Mandate.

**SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,032,847,334 Shares. Subject to the passing of resolution No. 6 approving the Repurchase Mandate as set out in the notice of the AGM appearing in this circular and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 103,284,733 Shares until (i) the conclusion of the next annual general meeting; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable law to be held; or (iii) the revocation by ordinary resolution of Shareholders in general meeting, whichever is the earliest.

**REASON FOR REPURCHASES**

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 Company to purchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an increase of the net asset value of the Company and/or its earnings per Share and will only be made as and when the Directors believe such repurchases will benefit the Company and the Shareholders as a whole.

**FUNDING OF REPURCHASES**

In repurchasing the Shares, the Company may only apply funds legally available for such purpose in accordance with the Articles of Association, the Listing Rules and the applicable laws of Cayman Islands.

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with its financial position as disclosed in the 2006 Annual Report) in the event that the Repurchase Mandate is exercised in full at any time during the proposed repurchase period. The Directors, however, do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors may from time to time be appropriate for the Company.

**TAKEOVERS CODE**

If as a result of a repurchase of Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning of the Takeovers Code), depending on the level of increase in the Shareholder's interest, could obtain or consolidate control of the Company and may become obliged to make a mandatory offer in accordance with Rule 26 and Rule 32 of the Takeovers Code and the provision may apply as a result of any such increase.



As at the Latest Practicable Date, according to the register kept by the Company pursuant to Section 336 of the SFO, Mr. Li Ning, Chairman of the Company, and his brother Mr. Li Chun were deemed to be interested in 367,374,250 Shares and 353,374,000 Shares, representing 35.57% and 34.21% of the issued shares of the Company respectively. Mr. Li Ning's deemed interest in Shares includes the interest held by Mr. Li Chun through controlled corporations and trust. In the event that the Directors exercise in full the power to repurchase Shares pursuant to the Repurchase Mandate, then (if the present shareholding otherwise remains the same) the interest held by Mr. Li Ning and Mr. Li Chun would be increased to approximately 39.52% and 38.02% of the issued share capital of the Company respectively. The Directors are of the view that such increase may give rise to an obligation to make a mandatory offer pursuant to Rule 26 and Rule 32 of the Takeovers Code. The Directors have no intention to exercise the Repurchase Mandate in such a way and to such extent that would give rise to an obligation on the part of Mr. Li Ning or Mr. Li Chun to make a mandatory general offer under Rule 26 and Rule 32 of the Takeovers Code. Save as the aforesaid, the Directors are not aware of any consequence of repurchases which would arise under the Takeovers Code or would result in the amount of Shares held by public being reduced to less than 25%.

**GENERAL**

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

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

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

**SHARE REPURCHASE MADE BY THE COMPANY**

The Company has not purchased any Share (whether on the Hong Kong Stock Exchange or otherwise) during the 6 months prior to the Latest Practicable Date.

## SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Hong Kong Stock Exchange during each of the 12 months prior to the Latest Practicable Date were as follows:

	Per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
<b>2006</b>		
April	9.150	7.500
May	9.000	7.200
June	7.800	6.050
July	8.350	7.050
August	8.700	7.540
September	9.600	8.510
October	9.320	8.790
November	10.560	9.050
December	12.500	9.950
<b>2007</b>		
January	14.400	11.700
February	15.820	13.100
March	16.120	11.900

The following are the particulars of the Directors (as required by the Listing Rules) proposed to be re-elected at the AGM.

1. **Mr. LI Ning (李寧)**, aged 44, is the founder of LI-NING brand and the Group's Chairman and an executive Director. He is primarily responsible for the Group's overall corporate strategies, planning and business development.

Mr. Li Ning is one of the most outstanding athletes in the 20th century. In the 6th World Cup Competition in 1982, Mr. Li won six gold medals for men's artistic gymnastics and was named “體操王子” (the “Prince of Gymnastics”) in the PRC. In the 23rd Los Angeles Olympic Games in 1984, Mr. Li won three gold, two silver and one bronze medals, making him the athlete winning the most number of medals in that Olympic Games. In 1987, Mr. Li became the only Asian member of Athlete's Commission of the International Olympic Committee. From 1993 to 2000, Mr. Li served as a member of the Men's Artistic Gymnastics Technical Committee of the Federation Internationale De Gymnastique. He is currently a honorary member of the Federation Internationale De Gymnastique. In 1999, Mr. Li was voted one of the “World's Most Excellent Athletes in the 20th Century” by the World Sports Correspondent Association.

After retiring in 1989 from his athlete career, Mr. Li Ning initiated the idea of LI-NING brand with the goal of creating the first national sports goods brand in the PRC. He has dedicated the past 17 years to expanding and promoting the Group's business, as well as developing the PRC's sports goods industry. Mr. Li holds a bachelor's degree in law from School of Law of Peking University (北京大學), a M.B.A. degree from Guanghua School of Management of Peking University (北京大學光華管理學院) and a technical honorary doctorate from the Loughborough University in the United Kingdom.

As at the Latest Practicable Date, Mr. Li has interests, within the meaning of Part XV of the SFO, in 367,374,250 Shares (among which 12,014,000 Shares are short positions), representing 35.57% of the issued shares of the Company.

Save as disclosed, Mr. Li does not hold directorships in any other listed companies in the last three years nor does he hold any other major appointments.

2. **Mr. ZHANG Zhi Yong (張志勇)**, aged 38, is the Chief Executive Officer and an executive Director. Mr. Zhang joined the Group in December 1992 as a finance manager of 北京李寧體育用品有限公司 (Beijing Li Ning Sports Goods Co., Ltd.) (“Beijing Li Ning”, a subsidiary of the Company), became the financial controller of Beijing Li Ning in April 1999 and was the general manager of Beijing Li Ning from March 2001 to December 2005. Mr. Zhang is primarily responsible for the overall development, sales and marketing of the Group's products. Mr. Zhang has over 10 years of experience in financial and marketing management. Mr. Zhang holds a bachelor's degree from Beijing College of Economics (北京經濟學院) and a M.B.A. degree from Guanghua School of Management of Peking University (北京大學光華管理學院).

As at the Latest Practicable Date, Mr. Zhang has interests, within the meaning of Part XV of the SFO, in options to subscribe for 7,639,000 Shares, representing 0.74% of the issued shares of the Company.

Save as disclosed, Mr. Zhang does not hold directorships in any other listed companies in the last three years nor does he hold any other major appointments.

- Mr. LIM Meng Ann (林明安)**, aged 43, is a non-executive Director, Chairman of the Nomination Committee and a member of the Remuneration Committee. Mr. Lim joined the Group in July 2003. Mr. Lim is the senior vice president of, and is responsible for the investment activities in Greater China for GIC Special Investments Pte. Ltd., the private equity arm of Government of Singapore Investment Corporation Pte. Ltd., which he joined in 1997. Prior to that, he was an investment officer of International Finance Corporation, the private sector investment arm of the World Bank group, from 1993 to 1997. Mr. Lim holds a B.Eng degree (first class honours) from University College of London and a M.B.A. degree from University of Strathclyde. He is also a Chartered Financial Analyst.

As at the Latest Practicable Date, Mr. Lim has interests, within the meaning of Part XV of the SFO, in options to subscribe for 336,000 Shares, representing 0.03% of the issued shares of the Company.

Save as disclosed, Mr. Lim does not hold directorships in any other listed companies in the last three years nor does he hold any other major appointments.

- Mr. KOO Fook Sun, Louis (顧福身)**, aged 50, is an independent non-executive Director, Chairman of the Audit Committee and a member of the Remuneration Committee and the Nomination Committee. Mr. Koo joined the Group in June 2004. Mr. Koo is the managing director of Hercules Capital Limited, a corporate finance advisory firm. Prior to the founding of Hercules Capital Limited, he was the managing director and the head of corporate finance department of a major international bank, a director and chief executive officer of a company listed on the Main Board of the Hong Kong Stock Exchange. He also serves currently as an independent non-executive director of Weichai Power Company Limited, Midland Holdings Limited, Good Friend International Holdings Inc., China Communications Construction Company Limited and Xingda International Holdings Limited (all of which are listed on the Main Board of the Hong Kong Stock Exchange), and EVI Education Asia Limited and Maxitech International Holdings Limited (both listed on the Growth Enterprise Market of the Hong Kong Stock Exchange). Mr. Koo graduated with a bachelor's degree in business administration from the University of California at Berkeley and is a certified public accountant.

As at the Latest Practicable Date, Mr. Koo has interests, within the meaning of Part XV of the SFO, in options to subscribe for 254,000 Shares, representing 0.02% of the issued shares of the Company.

Save as disclosed, Mr. Koo does not hold directorships in any other listed companies in the last three years nor does he hold any other major appointments.



**Li Ning Company Limited**  
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**NOTICE IS HEREBY GIVEN THAT** the annual general meeting of Li Ning Company Limited (the “Company”) will be held at Salon 1-3, JW Marriott Ballroom, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Friday, 11 May 2007 at 11 : 00 a.m. for the following purposes:

As ordinary business:

1. To receive and adopt the audited financial statements and the reports of the directors and the auditors of the Company for the year ended 31 December 2006.
2. To declare a final dividend for the year ended 31 December 2006 to the shareholders of the Company.
3. (a) To re-elect the following retiring directors of the Company:
  - (i) Mr. Li Ning as an executive director;
  - (ii) Mr. Zhang Zhi Yong as an executive director;
  - (iii) Mr. Lim Meng Ann as a non-executive director; and
  - (iv) Mr. Koo Fook Sun, Louis as an independent non-executive director.
- (b) To authorise the board of directors of the Company to fix the directors’ remuneration.
4. To re-appoint Messrs. PricewaterhouseCoopers, Certified Public Accountants, as the auditors of the Company and authorise the board of the directors of the Company to fix their remuneration.

As special business, to consider and, if thought fit, to pass with or without modification, the following resolutions as ordinary resolutions of the Company:

5. **“THAT:**
  - (a) subject to paragraph (c) below, a general mandate be and is hereby unconditionally granted to the directors of the Company (“Directors”) to exercise during the Relevant Period (as defined in paragraph (d) below) all the powers of the Company to allot, issue and deal with additional shares in the Company and to make or grant offers, agreements, options or warrants which would or might require the exercise of such powers;

## NOTICE OF ANNUAL GENERAL MEETING

- (b) the mandate in paragraph (a) shall authorise the Directors during the Relevant Period (as defined in paragraph (d) below) to make or grant offers, agreements and options which would or might require the exercise of such powers after the end of the Relevant Period (as defined in paragraph (d) below);
- (c) the aggregate nominal value of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the mandate in paragraph (a), otherwise than pursuant to (i) a Right Issue (as defined in paragraph (d) below); or (ii) any option scheme or similar arrangement for the time being adopted by the Company for the purpose of granting or issuing shares or rights to acquire shares of the Company to the directors, officers and/or employees of the Company and/or any of its subsidiaries; or (iii) any scrip dividend or similar arrangement pursuant to the articles of association of the Company from time to time, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of this Resolution and the said mandate shall be limited accordingly;
- (d) 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 expiration of the period within which the next annual general meeting of the Company required by the Company’s articles of association or any applicable law to be held; and
- (iii) the date on which authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.

“Right 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 exclusion 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 or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).”

### 6. **“THAT**

- (a) a general mandate be and is hereby unconditionally given to the directors of the Company to exercise during the Relevant Period (as defined in paragraph (b) below) all the powers of the Company to purchase or otherwise acquire shares of HK\$0.10 each in the capital of the Company in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange

## NOTICE OF ANNUAL GENERAL MEETING

of Hong Kong Limited, provided that the aggregate nominal amount of shares so purchased or otherwise acquired shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of this Resolution.

(b) 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 expiration of the period within which the next annual general meeting of the Company is required by the Company’s articles of association or any applicable law to be held; and
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.”

7. “**THAT**, conditional upon the passing of resolutions No. 5 and No. 6 set out in the notice convening this meeting, the aggregate nominal amount of the shares which are purchased or otherwise acquired by the Company pursuant to resolution No. 6 shall be added to the aggregate nominal amount of the shares which may be issued pursuant to resolution No. 5.”

By order of the Board

**TAN Wee Seng**

*Executive Director & Company Secretary*

Hong Kong, 16 April 2007

*Notes:*

- (1) A shareholder entitled to attend and vote at the above meeting may appoint one or more proxies to attend and vote instead of him. A proxy need not be a shareholder of the Company.
- (2) A form of proxy for use at the above meeting (or at any adjournment thereof) is enclosed in the 2006 annual report of the Company. In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority shall be deposited at the Company’s Hong Kong branch share registrars, Computershare Hong Kong Investor Services Limited at 46th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for the holding of the above meeting or any adjournment thereof.
- (3) The register of members of the Company will be closed from Tuesday, 8 May 2007 to Friday, 11 May 2007 (both days inclusive) during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend and to attend the above meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrars, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 7 May 2007.
- (4) A circular providing information in relation to resolution No. 3(a) and resolutions No. 5 to No. 7 is enclosed in the Company’s 2006 annual report.