
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in China-Hongkong Photo Products Holdings Limited (the “Company”), you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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CHINA-HONGKONG PHOTO PRODUCTS HOLDINGS LIMITED
中港照相器材集團有限公司
(Incorporated in Bermuda with limited liability)
(Stock Code: 1123)

**PROPOSAL FOR RE-ELECTION OF RETIRING DIRECTORS,
AND
PROPOSAL FOR GENERAL MANDATES TO
REPURCHASE AND ISSUE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an annual general meeting of China-Hongkong Photo Products Holdings Limited to be held at 8th Floor, Tsuen Wan Industrial Centre, 220-248 Texaco Road, Tsuen Wan, Hong Kong on Friday, 13 August 2010 at 10:00 a.m. is set out on pages 11 to 14 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.chinahkphoto.com.hk).

Whether or not you are able to attend the Annual General Meeting, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's share registrar in Hong Kong, Tricor Tengis 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 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 Annual General Meeting or any adjourned meeting thereof if you so wish.

14 July 2010

CONTENTS

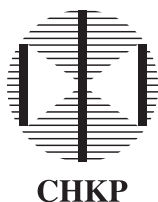
	<i>Page</i>
Definitions	1
 Letter from the Board	
1. Introduction	2
2. Proposal for Re-election of Retiring Directors	2
3. Proposal for General Mandates to Repurchase and Issue Shares	3
4. Annual General Meeting and Proxy Arrangement	3
5. Recommendation	4
 Appendix I – Details of the Retiring Directors Proposed to be Re-elected at the Annual General Meeting	 5
 Appendix II – Explanatory Statement for the Buyback Mandate	 8
 Notice of Annual General Meeting	 11

DEFINITIONS

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

“Annual General Meeting”	an annual general meeting of the Company to be held at 8th Floor, Tsuen Wan Industrial Centre, 220-248 Texaco Road, Tsuen Wan, Hong Kong on Friday, 13 August 2010 at 10:00 a.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 11 to 14 of this circular, or any adjournment thereof;
“Board”	the board of Directors;
“Buyback Mandate”	as defined in paragraph 3(a) of the Letter from the Board;
“Bye-laws”	the bye-laws of the Company currently in force;
“Company”	China-Hongkong Photo Products Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange;
“Director(s)”	the director(s) of the Company;
“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;
“Issuance Mandate”	as defined in paragraph 3(b) of the Letter from the Board;
“Latest Practicable Date”	9 July 2010, 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;
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
“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, share(s) forming part of the ordinary equity share capital of the Company;
“Shareholder(s)”	the registered holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Repurchases issued by the Securities and Futures Commission in Hong Kong.

LETTER FROM THE BOARD



CHINA-HONGKONG PHOTO PRODUCTS HOLDINGS LIMITED
中港照相器材集團有限公司
(Incorporated in Bermuda with limited liability)
(Stock Code: 1123)

Executive Directors:

Sun Tai Lun Dennis (*Chairman*)
Sun Tao Hung Stanley (*Deputy Chairman*)
Ng Yuk Wah Eileen
Tang Kwok Tong Simon

Registered Office:

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

Independent Non-executive Directors:

Au Man Chung Malcolm
Li Ka Fai David
Liu Hui Allan
Wong Chi Yun Allan

Principal Place of Business in Hong Kong:

8th Floor
Tsuen Wan Industrial Centre
220-248 Texaco Road,
Tsuen Wan, Hong Kong

14 July 2010

To the Shareholders

Dear Sir/Madam,

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

1. INTRODUCTION

The purpose of this circular is to give the Shareholders notice of the Annual General Meeting and to provide the Shareholders with information in respect of certain resolutions to be proposed at the Annual General Meeting for the approval of (i) the re-election of the retiring Directors; and (ii) the granting to the Directors of the Buyback Mandate and the Issuance Mandate to repurchase and issue Shares respectively.

2. PROPOSAL FOR RE-ELECTION OF RETIRING DIRECTORS

In accordance with Bye-law 110, Mr Au Man Chung Malcolm, Mr Liu Hui Allan and Dr Wong Chi Yun Allan shall retire at the Annual General Meeting. All of the above retiring Directors, being eligible, will offer themselves for re-election at the Annual General Meeting.

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

LETTER FROM THE BOARD

3. PROPOSAL FOR GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES

At the annual general meeting of the Company held on 14 August 2009, general mandates were granted to the Directors to repurchase and issue Shares respectively. Such mandates will lapse at the conclusion of the Annual General Meeting. In order to give the Company the flexibility to repurchase and issue Shares if and when appropriate, the following ordinary resolutions will be proposed at the Annual General Meeting to approve:

- (a) the granting of the Buyback Mandate to the Directors to purchase Shares on the Stock Exchange of not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the proposed ordinary resolution set out in item 5 of the notice of the Annual General Meeting as set out on pages 11 to 12 of this circular (i.e. an aggregate nominal amount of Shares up to HK\$11,638,283 (equivalent to 116,382,837 Shares), on the basis that no further Shares are issued or repurchased before the Annual General Meeting;
- (b) the granting of the Issuance Mandate to the Directors to allot, issue or deal with additional Shares of not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the proposed ordinary resolution set out in item 6 of the notice of the Annual General Meeting as set out on pages 12 to 13 of this circular (i.e. an aggregate nominal amount of Shares up to HK\$23,276,567 (equivalent to 232,765,675 Shares), on the basis that no further Shares are issued or repurchased before the Annual General Meeting; and
- (c) subject to the passing of the aforesaid ordinary resolutions in respect of the Buyback Mandate and the Issuance Mandate, the extension of the Issuance Mandate by adding the aggregate nominal amount of Shares repurchased by the Company pursuant to the Buyback Mandate.

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.

An explanatory statement required by the Listing Rules to provide the Shareholders with the requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the granting of the Buyback Mandate is set out in Appendix II to this circular.

4. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages 11 to 14 of this circular.

Pursuant to the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. 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.

LETTER FROM THE BOARD

A form of proxy for use at the Annual General Meeting is enclosed with this circular and such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.chinahkphoto.com.hk). 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 Company's share registrar in Hong Kong, Tricor Tengis 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 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 in person at the Annual General Meeting or any adjourned meeting thereof if you so wish.

5. RECOMMENDATION

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

Yours faithfully,
For and on behalf of the Board
Sun Tai Lun Dennis
Chairman

**APPENDIX I DETAILS OF THE RETIRING DIRECTORS PROPOSED TO
BE RE-ELECTED AT THE ANNUAL GENERAL MEETING**

Pursuant to the Listing Rules, the details of the Directors who will retire and stand for re-election at the Annual General Meeting according to the Bye-laws are provided below:

- (1) **Mr Au Man Chung Malcolm**, aged 61, is an independent non-executive Director of the Company.

Mr Au was appointed as an independent non-executive Director of the Company on 6 July 1994. Mr Au is also the chairman of the Remuneration Committee of the Company.

Saved as disclosed herein, Mr Au has not held any other position with the Group or member of the Group.

Mr Au holds a Bachelor of Science degree in Chemical Engineering and a Master of Science degree in Food Science both from the University of Wisconsin, USA and a Master of Business Administration degree from the University of Toronto, Canada. Mr Au has over 30 years' experience in management. Mr Au is an independent non-executive director of Convenience Retail Asia Limited (stock code: 8052) and an independent director of Eu Yan Sang International Limited, which is listed on the Singapore Exchange.

Mr Au has not entered into any service contract with the Company and has not been appointed for a specific term but is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-laws.

Mr Au was entitled to a director's fee of HK\$110,000 for the year ended 31 March 2010. The board of Directors will determine the director's fee of Mr Au with reference to his duties and responsibilities with the Company.

Mr Au has no relationship with any Directors or senior management or any substantial or controlling shareholders (as defined in the Listing Rules) of the Company.

As at the Latest Practicable Date, Mr Au did not have any interests in the Shares of the Company within the meeting of Part XV of the SFO.

There is no information which is discloseable pursuant to any of the requirements of the provisions under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

Saved as disclosed herein, there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders under Rule 13.51(2) of the Listing Rules.

**APPENDIX I DETAILS OF THE RETIRING DIRECTORS PROPOSED TO
BE RE-ELECTED AT THE ANNUAL GENERAL MEETING**

(2) **Mr Liu Hui, Allan**, aged 53, is an independent non-executive Director of the Company

Mr Liu was appointed as an independent non-executive Director of the Company on 18 July 2000, re-designated as a non-executive Director on 8 December 2005 and again, re-designated as an independent non-executive Director on 28 June 2007. Mr Liu is also a member of the Audit Committee of the Company.

Saved as disclosed herein, Mr Liu has not held any other position with the Group or member of the Group.

Mr Liu graduated from the Beijing University of International Business and Economics and the Westminster University of United Kingdom. Mr Liu has over 25 years of experience in foreign direct investments in China, especially in the consumer and retail sectors. He was formerly the president of The China Retail Fund LDC, a US\$165 million direct investment fund he originated in 1996, co-sponsored by American International Group. Mr Liu is currently managing partner of Pacific Alliance Equity Partners, which manages over US\$1 billion of private equity assets in China including the London AIM listed ARC Capital Holdings. Mr Liu is also a non-executive director of K.P.I. Company Limited (stock code: 00605).

Mr Liu has not entered into any service contract with the Company and has not been appointed for a specific term but is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-laws.

Mr Liu was entitled to a director's fee of HK\$90,000 for the year ended 31 March 2010. The board of Directors will determine the director's fee of Mr Liu with reference to his duties and responsibilities with the Company.

Mr Liu has no relationship with any Directors, senior management or any substantial or controlling shareholders (as defined in the Listing Rules) of the Company.

As at the Latest Practicable Date, Mr Liu did not have any interests in the Shares of the Company within the meaning of Part XV of the SFO.

There is no information which is discloseable pursuant to any of the requirements of the provisions under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

Saved as disclosed herein, there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders under Rule 13.51(2) of the Listing Rules.

**APPENDIX I DETAILS OF THE RETIRING DIRECTORS PROPOSED TO
BE RE-ELECTED AT THE ANNUAL GENERAL MEETING**

- (3) **Dr Wong Chi Yun, Allan**, *GBS, MBE, JP*, aged 59, is an independent non-executive Director of the Company.

Dr Wong was appointed as an independent non-executive Director of the Company on 18 October 1997. Dr Wong is also a member of the Audit Committee and Remuneration Committee of the Company.

Saved as disclosed herein, Dr Wong has not held any other position with the Group or member of the Group.

Dr Wong holds a Bachelor of Science degree in Electrical Engineering from the University of Hong Kong, a Master of Science degree in Electrical and Computer Engineering from the University of Wisconsin and an Honorary Doctorate of Technology from the Hong Kong Polytechnic University. Dr Wong is a member of the Commission on Strategic Development, a member of the Greater Pearl River Delta Business Council and a council member of the University of Hong Kong. Dr Wong is the chairman and the chief executive officer of VTech Holdings Limited (stock code: 00303), co-founded the group in 1976. He is also an independent non-executive director of The Bank of East Asia, Limited (stock code: 00023) and Li & Fung Limited (stock code: 00494).

Dr Wong has not entered into any services contract with the Company and has not been appointed for a specific term but is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-laws.

Dr Wong was entitled to a director's fee of HK\$100,000 for the year ended 31 March 2010. The board of Directors will determine the director's fee of Dr Wong with reference to his duties and responsibilities with the Company.

Dr Wong has no relationship with any Directors, senior management, or any substantial or controlling shareholders (as defined in the Listing Rules) of the Company.

As at the Latest Practicable Date, Dr Wong did not have any interests in the Shares of the Company within the meaning of Part XV of the SFO.

There is no information which is discloseable pursuant to any of the requirements of the provisions under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

Saved as disclosed herein, there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders under Rule 13.51(2) of the Listing Rules.

The following is an explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for 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. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,163,828,377 Shares.

Subject to the passing of the ordinary resolution set out in item 5 of the notice of the Annual General Meeting in respect of the granting of the Buyback Mandate and on the basis that no further Shares are issued or repurchased before the Annual General Meeting, i.e. being 1,163,828,377 Shares, the Directors would be authorized under the Buyback Mandate to repurchase, during the period in which the Buyback Mandate remains in force, an aggregate nominal amount of Shares up to HK\$11,638,283 (equivalent to 116,382,837 Shares), representing 10% of the aggregate nominal amount of Shares in issue as at the date of the passing of the ordinary resolution at the Annual General Meeting.

2. REASONS FOR BUYBACK OF SHARES

The Directors believe that the granting of the Buyback Mandate is in the best 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 and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

3. FUNDING OF REPURCHASE

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

4. IMPACT OF REPURCHASE

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 accounts contained in the annual report of the Company for the year ended 31 March 2010) 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. 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 previous 12 months immediately preceding the Latest Practicable Date were as follows:

Month	Highest HK\$	Lowest HK\$
2009		
July	0.530	0.440
August	0.540	0.430
September	0.550	0.430
October	0.510	0.430
November	0.510	0.465
December	0.580	0.520
2010		
January	0.580	0.490
February	0.550	0.510
March	0.610	0.530
April	0.770	0.530
May	0.610	0.495
June	0.590	0.480
July (up to the Latest Practicable Date)	0.530	0.510

6. GENERAL

To the best of their knowledge and having made all reasonable enquiries, none of the Directors nor any of their respective associates (as defined in the Listing Rules) have any present intention to sell their 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 (as defined in the Listing Rules) 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, the Company's Bye-laws and the applicable laws of Bermuda.

7. TAKEOVERS CODE

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

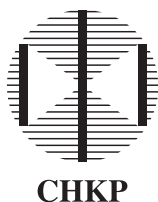
To the best knowledge of the Company, as at the Latest Practicable Date, Fine Products Limited, Searich Group Limited, Dr Sun Tai Lun Dennis, the Chairman and Mr Sun Tao Hung Stanley, the Deputy Chairman beneficially interested in 712,276,214 Shares, representing approximately 61.20% of the issued share capital of the Company. In the event that the Directors exercise the proposed Buyback Mandate in full, the aggregate shareholding of Fine Products Limited, Searich Group Limited, Dr Sun Tai Lun Dennis, and Mr Sun Tao Hung Stanley would be increased to approximately 68% of the issued share capital of the Company.

The Directors are not aware of any consequences which may give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors do not propose to exercise the Buyback Mandate to such an extent as would, in the circumstances, give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

8. REPURCHASE OF SHARES MADE BY THE COMPANY

During the 6 months prior to the Latest Practicable Date, the Company had not repurchased any of the Shares (whether on the Stock Exchange or otherwise).

NOTICE OF ANNUAL GENERAL MEETING



CHINA-HONGKONG PHOTO PRODUCTS HOLDINGS LIMITED
中港照相器材集團有限公司
(Incorporated in Bermuda with limited liability)
(Stock Code: 1123)

NOTICE IS HEREBY GIVEN that an Annual General Meeting of China-Hongkong Photo Products Holdings Limited (the “**Company**”) will be held at 8th Floor, Tsuen Wan Industrial Centre, 220-248 Texaco Road, Tsuen Wan, Hong Kong on Friday, 13 August 2010 at 10:00 a.m. for the following purposes:

1. To adopt the audited financial statements and the reports of the directors and auditors of the Company for the year ended 31 March 2010.
2. To declare a final dividend and a final special dividend.
3. (i) To re-elect the following retiring directors:
 - (a) Mr Au Man Chung Malcolm
 - (b) Mr Liu Hui Allan
 - (c) Dr Wong Chi Yun Allan
- (ii) to authorize the board of directors (the “Board”) to fix the respective directors’ remuneration; and
- (iii) to authorize the Board to appoint additional directors not exceeding twenty.
4. To re-appoint the auditors and to authorize the Board to fix their remuneration.

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

5. **“THAT:**
 - (a) subject to paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company (the “Directors”) to exercise during the Relevant Period (as defined below) all the powers of the Company to purchase its shares in accordance with all applicable laws, rules and regulations;
 - (b) the total nominal amount of shares of the Company to be purchased pursuant to the mandate in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this resolution and the said mandate shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

(c) 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 expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company (the “Bye-laws”) or any applicable laws 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 of the Company (the “Shareholders”) in a general meeting.”

6. **“THAT:**

- (a) subject to paragraph (c) below, a general mandate be and is hereby generally and unconditionally given to the Directors during the Relevant Period (as defined below) to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers;
- (b) the mandate in paragraph (a) above shall authorize 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 mandate 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 Bye-laws,

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

NOTICE OF ANNUAL GENERAL MEETING

(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 expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or any applicable laws 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 a general meeting.

“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 recognized regulatory body or any stock exchange).”

7. “**THAT** conditional upon the passing of resolutions set out in items 5 and 6 of the notice convening this meeting (the “Notice”), the general mandate referred to in the resolution set out in item 6 of the Notice 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 the resolution set out in item 5 of the Notice, provided that such amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution.”

By Order of the Board
Chan Wai Kwan Rita
Company Secretary

Hong Kong, 14 July 2010

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. All resolutions at the meeting will be taken by poll pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
2. A member of the Company entitled to attend and vote at the above meeting is entitled to appoint a proxy or proxies (if holding two or more shares) to attend and on a poll, vote instead of him. A proxy need not be a member of the Company. 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.
3. 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 certified copy of that power or authority or other authority, must be deposited at the Company's share registrar in Hong Kong, Tricor Tengis 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. Completion and return of the form of proxy shall not preclude a member of the Company from attending and voting in person at the meeting or any adjourned meeting thereof if the member so wish and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. The Register of Members of the Company will be closed from Tuesday, 10 August 2010 to Friday, 13 August 2010, both dates inclusive, during which period no transfer of shares will be effected. In order to qualify for the entitlement to the proposed final dividend and the proposed final special dividend and for attending and voting at the above meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 9 August 2010.

As at the date of this notice, the directors of the Company are:

Executive Directors:

Dr SUN Tai Lun, Dennis (*Chairman*)
Mr SUN Tao Hung, Stanley (*Deputy Chairman*)
Ms NG Yuk Wah, Eileen
Mr TANG Kwok Tong, Simon

Independent Non-executive Directors:

Mr AU Man Chung, Malcolm
Mr LI Ka Fai, David
Mr LIU Hui, Allan
Dr WONG Chi Yun, Allan