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If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult a 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 SHK Hong Kong Industries Limited, you should at once hand this circular and the accompanying proxy form 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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**SHK** 新工投資有限公司  
Hong Kong Industries Limited

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 666)**

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

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A notice convening an annual general meeting of SHK Hong Kong Industries Limited to be held at Plaza 3, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Friday, 25th May, 2012 at 10:00 a.m. is set out on pages 12 to 15 of this circular. Whether or not you are able to attend the meeting, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the share registrar of the Company, Tricor Secretaries Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding of the meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting at the meeting or any adjournment thereof if you so wish.

19th April, 2012

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## DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at Plaza 3, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Friday, 25th May, 2012 at 10:00 a.m. or any adjournment thereof
“Articles of Association”	the Articles of Association of the Company
“Board”	the board of Directors
“CG Code”	Corporate Governance Code and Corporate Governance Report set out in Appendix 14 of the Listing Rules
“Companies Ordinance”	the Companies Ordinance Chapter 32 of the Laws of Hong Kong
“Company”	SHK Hong Kong Industries Limited, a company incorporated in Hong Kong with limited liability, the share of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	13th April, 2012 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
“Repurchase Proposal”	the proposal to give a general mandate to the Directors to exercise the powers of the Company to repurchase during the period as set out in the Repurchase Resolution Shares up to a maximum of 10% of the issued share capital of the Company as at the date of the Repurchase Resolution
“Repurchase Resolution”	the proposed ordinary resolution as referred to in item 5(I) of the notice of the Annual General Meeting

## DEFINITIONS

“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of a nominal value of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Share Buy Back Rules”	the relevant rules set out in the Listing Rules to regulate the repurchase by companies with primary listing on the Stock Exchange of their own securities on the Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Codes on Takeovers and Mergers
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong

**SHK** 新工投資有限公司  
Hong Kong Industries Limited

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 666)**

*Executive Directors:*

Warren Lee Wa Lun (*Chairman*)

Mark Wong Tai Chun

*Non-Executive Directors:*

Arthur George Dew

Peter Lee Yip Wah

*Independent Non-Executive Directors:*

Ambrose So Shu Fai

Albert Ho

Louie Chun Kit

*Registered Office:*

Room 1801, 18th Floor  
Allied Kajima Building  
138 Gloucester Road  
Wanchai, Hong Kong

19th April, 2012

*To Shareholders*

Dear Sir or Madam,

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

**INTRODUCTION**

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the Annual General Meeting relating to, among other things, (i) the re-election of retiring Directors; and (ii) the granting to the Directors of general mandate to issue Shares up to 20% of the Company's issued share capital and general mandate to repurchase Shares up to 10% of the Company's issued share capital as at the date of the passing of such resolutions.

**RE-ELECTION OF RETIRING DIRECTORS**

The Board currently consists of seven Directors, namely Mr. Warren Lee Wa Lun, Mr. Mark Wong Tai Chun, Mr. Arthur George Dew, Mr. Peter Lee Yip Wah, Dr. Ambrose So Shu Fai, Mr. Albert Ho and Mr. Louie Chun Kit.

## LETTER FROM THE BOARD

In accordance with Article 101 of the Articles of Association, Mr. Arthur George Dew, Dr. Ambrose So Shu Fai and Mr. Albert Ho retire by rotation and, being eligible, offer themselves for re-election at the Annual General Meeting.

As at the Latest Practicable Date, Dr. Ambrose So Shu Fai has served as an independent non-executive Director for more than nine years since December 1998. Pursuant to the code provision A.4.3 of the CG Code, (a) having served the company for more than 9 years could be relevant to the determination of an independent non-executive director's independence and (b) if an independent non-executive director has served more than 9 years, his further appointment should be subject to a separate resolution to be approved by shareholders.

The Company has received from Dr. Ambrose So Shu Fai a confirmation of independence pursuant to Rule 3.13 of the Listing Rules. Dr. Ambrose So Shu Fai has not engaged in any executive management of the Group. Taking into consideration of his independent scope of works, the Directors consider Dr. Ambrose So Shu Fai to be independent under the Listing Rules despite the fact that he has served the Company for over nine years. Dr. Ambrose So Shu Fai shall retire by rotation and, being eligible, would offer himself for re-election by way of a separate resolution to be approved by the Shareholders at the Annual General Meeting.

Details of the retiring Directors who are proposed to be re-elected at the Annual General Meeting are set out in the Appendix I of this circular.

### **GENERAL MANDATE TO REPURCHASE SHARES**

At the annual general meeting of the Company held on 26th May, 2011, a general mandate was given to the Directors to exercise the powers of the Company to repurchase Shares. Such mandate will lapse at the conclusion of the Annual General Meeting. The Directors propose to seek your approval of the Repurchase Resolution to be proposed at the Annual General Meeting for repurchase of Shares. An explanatory statement as required under the Share Buy Back Rules to provide the requisite information of the Repurchase Proposal is set out in the Appendix II of this circular.

### **GENERAL MANDATE TO ISSUE SHARES**

It will also be proposed at the Annual General Meeting two ordinary resolutions as referred to in items 5(II) and 5(III) of the notice of the Annual General Meeting respectively granting to the Directors a general mandate to allot, issue and deal with Shares not exceeding 20% of the issued share capital of the Company as at the date of the resolution and adding to such general mandate so granted to the Directors any Shares representing the aggregate nominal amount of the Shares repurchased by the Company after the granting of the general mandate to repurchase up to 10% of the issued share capital of the Company as at the date of the Repurchase Resolution.

As at the Latest Practicable Date, the issued share capital of the Company comprised 4,111,704,320 Shares.

## LETTER FROM THE BOARD

Subject to the passing of the ordinary resolution as referred to in item 5(II) of the notice of the Annual General Meeting and on the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, the Company would be allowed to allot, issue and deal with a maximum of 822,340,864 Shares representing not more than 20% of the issued share capital of the Company at the Latest Practicable Date.

### ANNUAL GENERAL MEETING

At the Annual General Meeting, resolutions will be proposed to the Shareholders in respect of the ordinary business of the Company to be considered at the Annual General Meeting, being the approval and adoption of the audited financial statements for the year ended 31st December, 2011, the Directors' report and the independent auditor's report, the re-election of Directors and authorisation of the board to fix the remuneration of Directors, and the re-appointment of auditor and fixing their remuneration, and the special business of the Company to be considered at the Annual General Meeting, being the proposed grant of the Repurchase Proposal, the general mandate for Directors to issue new Shares and extension of general mandate to issue Share. The notice of Annual General Meeting is set out on pages 12 to 15 of this circular.

Pursuant to the Listing Rules, any vote of Shareholders taken at the Annual General Meeting to approve the above resolutions proposed must be taken by poll.

### ACTION TO BE TAKEN

A proxy form for use at the Annual General Meeting is enclosed herein. Whether or not you are able to attend the Annual General Meeting, you are recommended to complete the proxy form and return it to the share registrar of the Company, Tricor Secretaries Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the Annual General Meeting. Completion and return of the proxy form will not prevent Shareholders of the Company from attending and voting at the Annual General Meeting if they so wish.

### RECOMMENDATION

The Directors believe that all resolutions set out in the notice of Annual General Meeting are all in the best interests of the Company and its Shareholders. Accordingly, the Directors recommend that all Shareholders of the Company should vote in favour of the resolutions set out in the notice of Annual General Meeting as the Directors intend to do so themselves in respect of their own holdings.

By Order of the Board  
**SHK Hong Kong Industries Limited**  
**Warren Lee Wa Lun**  
*Chairman*

The followings are the particulars of the three retiring Directors proposed to be re-elected at the Annual General Meeting of the Company:

**1. Mr. Arthur George Dew (“Mr. Dew”)**

Mr. Dew, aged 70, was appointed a Non-Executive Director of the Company in November 2007. He is also a member of audit committee, remuneration committee and nomination committee of the Company. He graduated from the Law School of the University of Sydney, Australia, and was admitted as a solicitor and later as a barrister of the Supreme Court of New South Wales, Australia. He is currently a non-practising barrister. He has a broad range of corporate and business experience and has served as a director, and in some instances chairman of the board of directors, of a number of public companies listed in Australia, Hong Kong and elsewhere. He is the chairman and a non-executive director of each of Allied Group Limited, a substantial shareholder of the Company, Allied Properties (H.K.) Limited and Allied Overseas Limited, companies listed on the main board of the Stock Exchange. He was appointed a director and non-executive chairman of Tanami Gold NL, a company listed on the Australian Securities Exchange, in December, 2011.

Save as disclosed above, Mr. Dew did not hold any other directorship in listed public companies in Hong Kong or overseas during the past three years. Mr. Dew was previously a non-executive director in approximately 1980 of an Australian agricultural company known as New England Agricultural Corp. Ltd. which company entered into a scheme of arrangement (the “Scheme”) with its creditors and shareholders in approximately 1980 at a time when Mr. Dew was a non-executive director. Insofar as Mr. Dew can recollect the approximate value involved in the Scheme was approximately AUD\$2 million and the Scheme was completed in approximately 1981.

Save as disclosed above, Mr. Dew does not have any other relationship with any Director, senior management of the Company or substantial or controlling Shareholder. As at the Latest Practicable Date, he had no interest in Shares in the Company within the meaning of Part XV of the SFO.

Mr. Dew is appointed for a term of one year and subject to retirement by rotation and re-election in accordance with the Articles of Association. His Director’s fee is discretionary and to be proposed by the Board with reference to his duties and responsibilities in the Company, the Company’s performance and the prevailing market situation and to be approved by Shareholders at any annual general meeting. For the year ended 31st December, 2011, Mr. Dew is proposed to entitle to a Director’s fee amounting to HK\$70,000 subject to Shareholders’ approval at the Annual General Meeting.

Save as disclosed above, in relation to the re-election of Mr. Dew as a Non-Executive Director of the Company, there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of Shareholders.



**2. Dr. Ambrose So Shu Fai (“Dr. So”)**

Dr. So, aged 60, joined the Group since its inception in 1990. He is an Independent Non-Executive Director of the Company. Dr. So is a director of The University of Hong Kong Foundation for Educational Development and Research. He is a committee member of the 11th National Committee of the Chinese People’s Political Consultative Conference. Dr. So is a chief executive officer and an executive director of SJM Holdings Limited which was listed on the main board of the Stock Exchange and a director of Estoril Sol, SGPS, S.A. which was listed on the Euronext Lisbon.

Dr. So is an executive director and the chairman of the board of Tonic Industries Holdings Limited, a company listed on the main board of the Stock Exchange, in December 2010. Save as aforesaid, Dr. So had not acted as director in any listed company in the last three years and he does not hold any other position with the Company and other members of the Group.

Dr. So does not have any other relationship with any Director, senior management of the Company or substantial or controlling Shareholder. As at the Latest Practicable Date, he has no interest in Shares in the Company within the meaning of Part XV of the SFO.

Dr. So is appointed for a term of one year and subject to retirement by rotation and re-election in accordance with the Articles of Association. His Director’s fees is discretionary and to be proposed by the Board with reference to his duties and responsibilities in the Company, the Company’s performance and the prevailing market situation and to be approved by Shareholders at any annual general meeting. For the year ended 31st December, 2011, Dr. So is proposed to entitle to a Director’s fee amounting to HK\$20,000 subject to Shareholders’ approval at the Annual General Meeting. Dr. So is proposed for re-election by Shareholders at the Annual General Meeting by separate resolution.

Save as disclosed above, in relation to the re-election of Dr. So as an Independent Non-Executive Director of the Company, there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of Shareholders.

**3. Mr. Albert Ho (“Mr. Ho”)**

Mr. Ho, aged 54, joined the Group as an Independent Non-Executive Director in 2004. He is also the chairman of audit committee, remuneration committee and nomination committee of the Company.

Mr. Ho graduated from the Macquarie University, Sydney, Australia with a Bachelor of Economics degree in 1985 and obtained his MBA from the University of Hong Kong in 1991. He is a Certified Public Accountant of Hong Kong Institute of Certified Public Accountants and fellow member of the Association of Chartered Certified Accountants. He has extensive experience in financial and corporate management. Mr. Ho is also an independent non-executive director of Jiuzhou Development Company Limited, a company listed on the main board of the Stock Exchange. Save as aforesaid, he had not acted as director in any other listed company in the past three years and he does not hold any other position with the Company and other members of the Group.

Mr. Ho does not have any other relationship with any Director, senior management of the Company or substantial or controlling Shareholder. As at the Latest Practicable Date, he has personal interest in 2,296,000 Shares in the Company within the meaning of Part XV of the SFO.

Mr. Ho is appointed for a term of one year and subject to retirement by rotation and re-election in accordance with the Articles of Association. His Director’s fee is discretionary and to be proposed by the Board with reference to his duties and responsibilities in the Company, the Company’s performance and the prevailing market situation and to be approved by Shareholders at any annual general meeting. For the year ended 31st December, 2011, Mr. Ho is proposed to entitle to a Director’s fee amounting to HK\$120,000 subject to Shareholders’ approval at the Annual General Meeting.

Save as disclosed above, in relation to the re-election of Mr. Ho as an Independent Non-Executive Director of the Company, there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of Shareholders.

This appendix serves as an explanatory statement, as required by the Share Buy Back Rules, to provide requisite information to you for your consideration of the proposal to permit the repurchase of Shares up to a maximum of 10% of the issued share capital of the Company as at the date of the Repurchase Resolution.

This appendix also constitutes the memorandum required under Section 49BA(3) of the Companies Ordinance.

### **1. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company was HK\$411,170,432 divided into 4,111,704,320 full paid Shares.

Subject to the passing of the Repurchase Resolution and on the basis that no further Shares are issued or repurchased before the Annual General Meeting, the Company will be allowed to repurchase a maximum of 411,170,432 Shares during the period ending on the earlier of the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required to be held by law or the date upon which such authority is revoked or varied by a resolution of the Shareholders in general meeting.

### **2. REASONS FOR REPURCHASE**

The Directors believe that the Repurchase Proposal is in the best interests of the Company and its Shareholders. Such repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per Share of the Company and will only be made when the Directors believe that such a repurchase will benefit the Company and its Shareholders.

### **3. FUNDING OF REPURCHASES**

Repurchase to be made pursuant to the proposed mandate to repurchase Shares of the Company would be financed out of funds legally available for such purpose in accordance with the Company's memorandum of association and the Articles of Association and the applicable laws of Hong Kong and the Listing Rules. Such funds include, but are not limited to, profits available for distribution.

There might be an 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 for the year ended 31st December, 2011 in the event that the general mandate pursuant to the Repurchase Proposal was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the general mandate pursuant to the Repurchase Proposal 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.

#### 4. SHARE PRICE

The highest and lowest prices at which the Shares have traded on the Stock Exchange during each of the previous twelve months before the printing of this circular were as follows:

	Shares	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
April, 2011	0.260	0.244
May, 2011	0.250	0.229
June, 2011	0.255	0.208
July, 2011	0.228	0.206
August, 2011	0.210	0.185
September, 2011	0.186	0.138
October, 2011	0.163	0.128
November, 2011	0.163	0.137
December, 2011	0.140	0.130
January, 2012	0.150	0.132
February, 2012	0.206	0.140
March, 2012	0.179	0.158
April, 2012 (up to the Latest Practicable Date)	0.170	0.165

#### 5. UNDERTAKING

The Directors have undertaken to the Stock Exchange that they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Resolution and in accordance with the Listing Rules and the applicable laws of Hong Kong.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their associates, have any present intention to sell any Shares to the Company under the Repurchase Proposal if such is approved by the Shareholders.

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

## 6. TAKEOVERS CODE

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

As at the Latest Practicable Date, Allied Group Limited ("AGL") is interested in 2,955,129,606 Shares, representing approximately 71.87% of total issued share capital of the Company, as recorded in the register of interests and short positions kept under Part XV of the SFO. These 2,955,129,606 Shares are held by Bright Clear Limited ("Bright Clear") which is an indirect wholly-owned subsidiary of AGL. AGL was therefore deemed to have an interest in these Shares in which Bright Clear was interested.

As at the Latest Practicable Date, Mr. Lee Seng Hui, Ms. Lee Su Hwei and Mr. Lee Seng Huang are the trustees of Lee and Lee Trust, being a discretionary trust. They together owned approximately 61.89% interest of the issued share capital of AGL (inclusive of Mr. Lee Seng Hui's personal interests) and were therefore deemed to have an interest in the Shares in which AGL was interested.

Based on such interest in the Shares and in the event that the Directors exercise in full the power to repurchase Shares under the Repurchase Proposal and assuming that no further Shares are issued or repurchased prior to the Annual General Meeting, the interest of Lee and Lee Trust and the parties acting in concert with it (including AGL) will be increased to approximately 79.85% of the issued share capital of the Company.

The Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any repurchases made under the Repurchase Proposal. The Directors have no present intention to exercise the power to repurchase Shares pursuant to the Repurchase Proposal to such extent as would result in such takeover obligation. The Directors have no immediate intention to repurchase Shares to the extent that will result in the amount of Shares held by the public being reduced to 25% if the Repurchase Proposal is approved at the Annual General Meeting.

## 7. SHARE REPURCHASE MADE BY THE COMPANY

The Company has not repurchased any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

## NOTICE OF ANNUAL GENERAL MEETING

# SHK 新工投資有限公司 Hong Kong Industries Limited

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 666)**

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of SHK Hong Kong Industries Limited (“the Company”) will be held at Plaza 3, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Friday, 25th May, 2012 at 10:00 a.m. for the following purposes:

1. To receive and consider the audited financial statements for the year ended 31st December, 2011 and the report of the directors and independent auditor’s report.
2. To re-elect retiring directors and authorise the board to fix the remuneration of directors.
3. To re-elect Dr. Ambrose So Shu Fai (who has served as an independent non-executive director of the Company for more than nine years) as an independent non-executive director of the Company.
4. To re-appoint BDO Limited as auditors of the Company and authorise the board to fix their remuneration.
5. As special business, to consider and, if thought fit, passing the following resolutions which will be proposed as ordinary resolutions of the Company:

### ORDINARY RESOLUTIONS

**(I) “THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of HK\$0.10 each in the capital of the Company on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) or on any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

## NOTICE OF ANNUAL GENERAL MEETING

- (b) the aggregate nominal amount of shares of the Company to be repurchased by the Company pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution, and the said approval shall be limited accordingly; and
- (c) for the purposes of this Resolution, "Relevant Period" means the period from the passing of this Resolution until whichever is the earlier 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 law to be held; or
  - (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 in general meeting."

### (II) "THAT:

- (a) subject to paragraph (c) below and pursuant to Section 57B of the Companies Ordinance, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.10 each in the capital of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power after the end of the Relevant Period;

## NOTICE OF ANNUAL GENERAL MEETING

(c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue, (ii) an issue of shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; (iii) an issue of share upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into share of the Company; or (iv) an issue of shares as scrip dividends pursuant to the Articles of Association of the Company from time to time, shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company at the date of passing this Resolution, and the said approval shall be limited accordingly; and

(d) for the purpose of this Resolution,

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier 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 law to be held; or
- (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 in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to the holders of shares of the Company on the register on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the directors of the Company 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 applicable to the Company).”



## NOTICE OF ANNUAL GENERAL MEETING

- (III) “THAT subject to the passing of the ordinary resolutions referred to in items 5(I) and 5(II) of the notice convening this meeting, the general mandate granted to the directors of the Company to allot, issue and deal with additional shares pursuant to Ordinary Resolution referred to in item 5(II) of the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of shares in the capital of the Company repurchased by the Company under the authority granted pursuant to the ordinary resolution referred to in item 5(I) of the notice convening this meeting, provided that such amount of shares so repurchased shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company at the date of the said ordinary resolution referred to in item 5(I).”

By Order of the Board  
**SHK Hong Kong Industries Limited**  
**Lo Tai On**  
*Company Secretary*

Hong Kong, 19th April, 2012

*Notes:*

1. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. To be valid, the proxy form, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be deposited at the share registrar of the Company, Tricor Secretaries Limited, 26th Floor, Tesbury Centre, 28 Queen’s Road East, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
3. With regard to items no. 2 and 3 in this notice, the board of directors of the Company proposes that the retiring directors, namely Mr. Arthur George Dew, Dr. Ambrose So Shu Fai and Mr. Albert Ho be re-elected as directors of the Company. Details of such retiring directors are set out in Appendix I to the circular to shareholders of the Company dated 19th April, 2012.