

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 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 or warrants 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 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 WARRANTS AND TO ISSUE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an annual general meeting of SHK Hong Kong Industries Limited to be held at Plaza III, Lower Lobby, Novotel Century Hong Kong Hotel, 238 Jaffe Road, Wanchai, Hong Kong on Friday, 4th June, 2010 at 10:00 a.m. is set out on pages 13 to 16 of this circular. Whether or not you intend to present at the meeting, you are recommended to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the share registrars of the Company, Tricor Secretaries Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding of the meeting. Completion and deposit of the proxy form will not preclude you from attending and voting at the meeting if you so wish.

23rd April, 2010

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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 III, Lower Lobby, Novotel Century Hong Kong Hotel, 238 Jaffe Road, Wanchai, Hong Kong on Friday, 4th June, 2010 at 10:00 a.m., notice of which is set out on pages 13 to 16 of this circular
“Articles of Association”	the Articles of Association of the Company
“Board”	the board of Directors
“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 under the Companies Ordinance, the securities 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”	19th April, 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
“Ordinary Resolution(s)”	the proposed ordinary resolution(s) as referred to in items 4 (I) to (III) of the notice of Annual General Meeting
“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 (a) Shares up to a maximum of 10% of the issued share capital of the Company; and (b) Warrants up to a maximum of 10% of the outstanding Warrants as at the date of the Repurchase Resolution

DEFINITIONS

“Repurchase Resolution”	the proposed ordinary resolution as referred to in item 4(I) of the notice of the Annual General Meeting
“SFO”	The Securities and Future Ordinance (cap. 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)
“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
“Warrants”	warrants of the Company entitling the holders thereof to subscribe at any time during the period from 23rd April, 2009 to 22nd April, 2011 (both days inclusive) for fully paid Shares at an initial subscription price of HK\$0.10 per Share (subject to adjustments) (Warrant Code: 534)
“HK\$”	Hong Kong dollars, 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

Registered Office:

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

23rd April, 2010

*To Shareholders and, for information only,
the holders of Warrants*

Dear Sir or Madam,

**PROPOSALS FOR RE-ELECTION OF RETIRING DIRECTORS,
GENERAL MANDATES TO REPURCHASE
SHARES AND WARRANTS 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 and Warrants up to 10% of the Company's issued share capital and outstanding Warrants as at the date of the passing of such resolutions.

RE-ELECTION OF RETIRING DIRECTORS

Following the resignation of Ms. Lam Tak Yee as an Independent Non-Executive Director on 12th April, 2010, the Board currently consists of six Directors, namely Mr. Warren Lee Wa Lun, Mr. Mark Wong Tai Chun, Mr. Arthur George Dew, Mr. Peter Lee Yip Wah, Mr. Ambrose So Shu Fai and Mr. Albert Ho.

LETTER FROM THE BOARD

In accordance with Article 101 of the Articles of Association, Mr. Warren Lee Wa Lun and Mr. Arthur George Dew retire and, being eligible, offer themselves for re-election.

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 AND WARRANTS

At the annual general meeting of the Company held on 9th June, 2009, 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 Share and Warrants. 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 4(II) and 4(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 3,738,797,015 Shares.

Subject to the passing of the Ordinary Resolution as referred to in item 4(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 747,759,403 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, the Directors' report and the independent auditor's report for the year ended 31st December, 2009, the re-election of Directors and authorisation of the board to fix the remuneration of Directors, and the re-appointment of auditors 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 13 to 16 of this circular.

LETTER FROM THE BOARD

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 intend to present at the Annual General Meeting, you are recommended to complete the proxy form and return it to the share registrars of the Company, Tricor Secretaries Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the Annual General Meeting. 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
Warren Lee Wa Lun
Chairman

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

1. Mr. Warren Lee Wa Lun (“Mr. Lee”)

Mr. Lee, aged 46, was appointed the Chairman of the Board and ceased to act as the Managing Director of the Company in March 2009. He became a Director of the Group in 2004 and is director of Yu Ming Investment Management Limited (“YMIM”), the investment manager of the Company and a subsidiary of Allied Group Limited (“AGL”), a substantial shareholder of the Company and a company listed on the main board of the Stock Exchange. Mr. Lee is also a non-executive chairman of Rotol Singapore Limited since November 2007. Rotol Singapore Limited is listed on the main board of the Singapore Exchange Limited. Mr. Lee is an executive director of First Natural Foods Holdings Limited (Provisional Liquidators Appointed) (“FNF”) since December 2008. FNF is listed on the main board of the Stock Exchange. From December 2006 to May 2007, Mr. Lee was the chief executive officer of Nam Tai Electronics, Inc., an electronics manufacturing services provider listed on the New York Stock Exchange. From March 2004 to February 2006, he was an independent non-executive director of Nam Tai Electronic and Electrical Products Limited (“NTEEP”), and from February 2006 to April 2007, he was re-designated as a non-executive director. From January 2007 to April 2007, he was also a non-executive director of J.I.C. Technology Company Limited (“JIC”). Both of NTEEP and JIC were listed on the main board of the Stock Exchange and subsidiaries of Nam Tai Electronics, Inc.. Mr. Lee graduated with a Bachelor of Science Degree from The University of East Anglia in England in 1986 and obtained a distinction in Master of Science degree from The City University Business School in London in 1988.

In the month of December 2008, there was a controversial exodus of directors from FNF. Mr. Lee, upon the invitation of the remaining directors of FNF, was appointed as an executive director of FNF on 22nd December, 2008 on an emergency basis to facilitate continuity in the functioning of the board of directors of FNF (the “FNF Board”), and to oversee the administration, finance and compliance functions of FNF in view of the highly unusual incidents that took place in FNF in December 2008. Mr. Lee together with the only incumbent independent non-executive director and other newly appointed independent non-executive directors of the FNF Board reviewed the situation of FNF, and concluded shortly after his appointment that, in the interests of creditors and shareholders of FNF, provisional liquidators should be appointed to FNF to preserve the assets of FNF and its subsidiaries.

On 6th January, 2009, the directors, including Mr. Lee, caused FNF to present a petition to the High Court of the Hong Kong Special Administrative Region (the “High Court”). On the same day, the High Court ordered that Messrs. Stephen Liu Yiu Keung and David Yen Ching Wai of Ernst & Young Transactions Limited be appointed joint and several provisional liquidators of FNF to take control and possession of the assets of FNF and its subsidiaries. The petition was filed with the High Court on 7th January 2009 to effect the appointment.

FNF was incorporated in Bermuda on 27th July, 2001. FNF is a holding company, and its subsidiaries are principally engaged in manufacture and sale of frozen marine food, frozen functional food and frozen seasoned convenient food; and sale of food products in UBI brand.

The provisional liquidators have identified a potential investor with a view to restructuring FNF and submitting a viable resumption proposal to the Stock Exchange. The restructuring is still in progress.

Under Mr. Lee's service agreement with the Company, he is entitled to an annual remuneration of not less than HK\$2,500,000, comprising a basic monthly salary of HK\$150,000 and 1% of the audited net profit before tax of the Company. The package is determined with reference to his qualifications, experience, years of services with the Company and responsibilities. The term for Mr. Lee's directorship is not specified, but is terminable by either the Company or Mr. Lee by giving not less than three months' notice in writing to the other party. He will also be subject to retirement by rotation and re-election pursuant to the Articles of Association. For the year ended 31st December, 2009, Mr. Lee is proposed to entitle to a director's fee amounting to HK\$20,000 subject to Shareholders' approval at the Annual General Meeting.

Save as disclosed above, Mr. Lee did not hold any other directorship in listed public companies in Hong Kong and overseas during the past three years. Mr. Lee does not have any relationship with any Directors, senior management or substantial or controlling Shareholder, and, as at the Latest Practicable Date, he does not have any interests in the Shares within the meaning of Part XV of the SFO.

In relation to the re-election of Mr. Lee as an Executive Director of the Company, save as disclosed above, 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)(k) and 13.51(2)(m) 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. Mr. Arthur George Dew ("Mr. Dew")

Mr. Dew, aged 68, was appointed a Non-Executive Director of the Company in November 2007. He is also a member of audit committee of the Company and chairman of remuneration 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 AGL, Allied Properties (H.K.) Limited and Quality Healthcare Asia Limited, companies listed on the main board of the Stock Exchange.

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.

Mr. Dew does not have any other relationship with any Director, senior management or substantial or controlling Shareholder. As at the Latest Practicable Date, he does not have any interest in Shares 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 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, 2009, 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.

In relation to the re-election of Mr. Dew as a Non-Executive Director of the Company, save as disclosed above, 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) and (i) and 13.51(2)(k) 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 and Warrants up to a maximum of 10% of the outstanding Warrants 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 AND WARRANTS

As at the Latest Practicable Date, the issued share capital of the Company was HK\$373,879,701.50 divided into 3,738,797,015 Shares and the total number of outstanding Warrants was 373,382,522 carrying the rights to subscribe up to HK\$37,338,252.20 for 373,382,522 Shares at the initial subscription price of HK\$0.10 per Share (subject to adjustments).

Subject to the passing of the Repurchase Resolution and on the basis that no further Shares are issued (whether generally or pursuant to the exercise of subscription rights attaching to the Warrants) or repurchased and no subscription rights of the Warrants are repurchased or exercised before the Annual General Meeting, the Company will be allowed to repurchase a maximum of 373,879,701 Shares and a maximum of 37,338,252 units of Warrants 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 and/or Warrants 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, 2009 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 AND WARRANT PRICES

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

	Shares		Warrants	
	Highest	Lowest	Highest	Lowest
	HK\$	HK\$	HK\$	HK\$
April, 2009	0.100	0.087	0.040	0.036
May, 2009	0.134	0.100	0.060	0.036
June, 2009	0.158	0.129	0.078	0.056
July, 2009	0.183	0.142	0.082	0.062
August, 2009	0.179	0.160	0.082	0.082
September, 2009	0.218	0.164	0.110	0.082
October, 2009	0.200	0.195	0.108	0.092
November, 2009	0.205	0.195	0.110	0.095
December, 2009	0.199	0.192	0.096	0.090
January, 2010	0.200	0.188	0.095	0.091
February, 2010	0.188	0.174	0.093	0.088
March, 2010	0.212	0.172	0.114	0.080
April, 2010 (up to the Latest Practicable Date)	0.215	0.195	0.105	0.105

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 or Warrants to the Company or its subsidiaries 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 or Warrants to the Company or its subsidiaries, 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. The Directors are not aware of any Shareholder or group of Shareholders acting in concert, who/which may become obliged to make a mandatory offer under Rule 26 of the Takeovers Code as result of the Repurchase Proposal.

Name of Shareholders	Number of Shares held	Approximate % of the issued share capital	Notes	Approximate % of the issued share capital should the Repurchase Proposal be exercised in full
Allied Group Limited ("AGL")	2,322,268,032	62.11%	1	69.01%
Lee and Lee Trust	2,322,268,032	62.11%	1, 2 and 3	69.01%

Notes:

1. The figure refers to the same interest 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 the Shares in which Bright Clear was interested.
2. The figure refers to the same interest of AGL in 2,322,268,032 Shares.
3. 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 52.4% interest of the issued share capital of AGL and were therefore deemed to have an interest in the Shares and Warrants in which AGL was interested.

As at the Latest Practicable Date, Lee and Lee Trust and parties acting in concert with it (including AGL) were beneficially interested in a aggregate of 2,322,268,032 Shares, representing approximately 62.11% of the issued share capital of the Company and 308,247,574 Warrants.

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 (whether pursuant to the exercise of the Warrants or otherwise) or repurchased prior to the Annual General Meeting, the interest of Lee and Lee Trust together with the parties acting in concert with it (including AGL) will be increased to approximately 69.01% 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. In the event that the Directors exercise in full the power to repurchase Shares pursuant to the Repurchase Proposal, the number of Shares held by the public would not fall below 25%.

7. SHARE AND WARRANTS REPURCHASE MADE BY THE COMPANY

Save as disclosed above, the Company has not repurchased any Shares or Warrants (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 III, Lower Lobby, Novotel Century Hong Kong Hotel, 238 Jaffe Road, Wanchai, Hong Kong on Friday, 4th June, 2010 at 10:00 a.m. for the following purposes:

1. To receive and consider the audited financial statements and the report of the directors and independent auditor’s report for the year ended 31st December, 2009.
2. To re-elect directors and authorise the board to fix the remuneration of directors.
3. To re-appoint auditors and authorise the board to fix their remuneration.
4. 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 and warrants issued by the Company to subscribe for shares 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;
- (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

NOTICE OF ANNUAL GENERAL MEETING

nominal amount of the share capital of the Company in issue at the date of passing this Resolution; and the aggregate amount of warrants of the Company to be repurchased by the Company pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate amount of the warrants of the Company outstanding 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;
- (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

NOTICE OF ANNUAL GENERAL MEETING

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).”

(III) “THAT subject to the passing of the Ordinary Resolutions referred to in items 4(I) and 4(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 4(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 4(I) of the notice convening

NOTICE OF ANNUAL GENERAL MEETING

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 4(I).”

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

Hong Kong, 23rd April, 2010

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 lodged with the share registrars of the Company, Tricor Secretaries Limited, 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
3. With regard to item no. 2 in this notice, the board of directors of the Company proposes that the retiring directors, namely Mr. Warren Lee Wa Lun and Mr. Arthur George Dew 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 23rd April, 2010.