
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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

If you have sold or transferred all your shares in Far East Hotels And Entertainment Limited, you should at once hand this circular and the accompanying 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.



FAR EAST HOTELS AND ENTERTAINMENT LIMITED

遠東酒店實業有限公司

(Incorporated in Hong Kong under the Companies Ordinance)

(Website: <http://www.tricor.com.hk/web/service/00037>)

(Stock Code: 0037)

GENERAL MANDATES TO REPURCHASE SHARES AND TO ISSUE SHARES RE-ELECTION OF RETIRING DIRECTORS AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND NOTICE OF ANNUAL GENERAL MEETING

The Notice convening an Annual General Meeting of Far East Hotels And Entertainment Limited to be held at the Penthouse, Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong on Friday, 22 August 2008 at 3:00 p.m. is set out in Appendix III of this circular. Whether or not Shareholders are able to attend the Annual General Meeting, they are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the registered office of the Company at Suite 2308, 23rd Floor, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong, as soon as possible and in any event so as to arrive not less than 48 hours before the time appointed for holding the Annual General Meeting (or any adjournment thereof).

Completion and return of the form of proxy will not preclude Shareholders of the Company from attending and voting in person at the Annual General Meeting (or any adjournment thereof) should they so desire.

23 July 2008

CONTENTS

	<i>Page</i>
DEFINITIONS	1-2
LETTER FROM THE MANAGING DIRECTOR AND CHIEF EXECUTIVE	3-6
APPENDIX I – EXPLANATORY STATEMENT ON REPURCHASE OF SHARES	7-10
APPENDIX II – INFORMATION ON RETIRING DIRECTORS PROPOSED FOR RE-ELECTION	11-13
APPENDIX III – NOTICE OF ANNUAL GENERAL MEETING	14-17

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 the Penthouse, Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong on Friday, 22 August 2008 at 3:00 p.m., notice of which is set out in Appendix III of this circular
“CCASS”	the Central Clearing and Settlement System
“Companies Ordinance”	the Companies Ordinance (Chapter 32) of the Laws of Hong Kong
“Company”	Far East Hotels And Entertainment Limited, a company incorporated in Hong Kong with limited liability under the Companies Ordinance
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries from time to time
“Latest Practicable Date”	17 July 2008, being the latest practicable date prior to the printing of this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum and Articles of Association”	Memorandum and Articles of Association of the Company
“Repurchase Proposal”	the Repurchase Resolution 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 resolution no. 4 of the notice of the Annual General Meeting
“Share(s)”	share(s) of \$0.10 each in the share capital of the Company
“Shareholder(s)” or “Member(s)”	holder(s) of the Share(s)

DEFINITIONS

“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
“Takeover Code”	the Code on Takeovers and Mergers
“\$” and “cents”	Hong Kong dollars and cents respectively



FAR EAST HOTELS AND ENTERTAINMENT LIMITED

遠東酒店實業有限公司

(Incorporated in Hong Kong under the Companies Ordinance)

(Website: <http://www.tricor.com.hk/webservice/00037>)

(Stock Code: 0037)

Executive Directors:

Deacon Te Ken Chiu, J.P. (*Chairman*)

Derek Chiu, B.A. (*Managing Director and Chief Executive*)

Desmond Chiu, B.A. (*Deputy Managing Director*)

Margaret Chiu, LL. B.

Registered & Principal Office:

Suite 2308, 23rd Floor

Office Tower, Convention Plaza

1 Harbour Road

Wanchai, Hong Kong

Non-Executive Directors:

Chiu Ju Ching Lan, J.P.

Dick Tat Sang Chiu, M.A.

Tan Sri Dato' David Chiu, B.Sc.

Dennis Chiu, B.A.

Duncan Chiu, B.Sc.

Independent Non-executive Directors:

Ip Shing Hing, J.P.

Ng Wing Hang Patrick

Choy Wai Shek Raymond, MH, J.P.

Alternate Directors:

Chan Chi Hing (*Alternate Director to Deacon Te Ken Chiu*)

Tang Sung Ki, CPA, FCCA (*Alternate Director to Desmond Chiu*)

23 July 2008

To shareholders

Dear Sir or Madam,

**GENERAL MANDATES TO REPURCHASE SHARES
AND TO ISSUE SHARES
RE-ELECTION OF RETIRING DIRECTORS
AMENDMENTS TO THE ARTICLES OF ASSOCIATION
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding the resolutions to be proposed at the Annual General Meeting.

LETTER FROM THE MANAGING DIRECTOR AND CHIEF EXECUTIVE

GENERAL MANDATE TO REPURCHASE SHARES

At the annual general meeting of the Company held on 24 August 2007, a general mandate was given by the Company to the Directors to exercise the powers of the Company to repurchase Shares. Such mandate will lapse at the conclusion of the forthcoming annual general meeting of the Company. The Directors propose to seek your approval of the Repurchase Resolution to be proposed at the Annual General Meeting. 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 I to this circular.

GENERAL MANDATE TO ISSUE SHARES

It will also be proposed at the Annual General Meeting two ordinary resolutions 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 (namely 97,768,535 shares) at the date of passing 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 at the date of passing the Repurchase Resolution.

RE-ELECTION OF RETIRING DIRECTORS

In accordance with Articles 78 and 79 of the Company's Articles of Association, Mr. David Chiu, Ms. Margaret Chiu, Mr. Desmond Chiu and Mr. Ip Shing Hing shall retire from office at the forthcoming annual general meeting and, being eligible, offer themselves for re-election. Particulars of retiring Directors proposed to be re-elected at the Annual General Meeting are set out in Appendix II.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

To cater for the increasing demand from investors holding securities in listed companies through the CCASS in Hong Kong for attending the shareholders' meetings in person or appointing proxies to vote on their behalf, the Board proposes to put forward a special resolution to the Shareholders for approval at the Annual General Meeting such that the existing Article 65A will be amended to cope with such demand and to provide rights to Shareholders who hold securities of the Company through CCASS to appoint multiple proxies to vote for and on their behalf at any shareholders' meeting of the Company.

The Stock Exchange has revised the Listing Rules concerning various corporate governance issues. Among other code provisions of the code on corporate governance practices set out in Appendix 14 to the Listing Rules, it is required that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. In their present form, the Articles of Association provides that such Director holding office as the managing director of the Company will not be subject to retirement by rotation or be taken into account in determining the number of Directors to retire in each year. As such, the Board considers that the Articles of Association should be amended in line with the changes required under the revised Listing Rules.

LETTER FROM THE MANAGING DIRECTOR AND CHIEF EXECUTIVE

The Board is of the opinion that the proposed amendments to the Articles of Association are in the best interests of the Company and the Shareholders as a whole.

The full text of the special resolution containing the proposed amendments are set out in the notice of Annual General Meeting of this circular.

ANNUAL GENERAL MEETING

Set out in Appendix III of this circular is a notice convening the Annual General Meeting at which resolutions will be proposed to:

Ordinary resolutions:

- grant to the Directors a general mandate to exercise all powers of the Company to purchase on the Stock Exchange Shares representing up to a maximum of 10% of the issued share capital of the Company as at the date of passing the Repurchase Resolution;
- grant to the Directors a general mandate to authorise the Directors to issue, allot and deal with Shares with an aggregate nominal value not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing such resolution;
- extend the general mandate which will be granted to the Directors to issue, allot and deal with additional Shares by adding to it the number of Shares purchased under the Repurchase Proposal after the granting of the general mandate.

Special resolution:

- to approve the proposed amendments to the existing article 65A and 76 of the articles of association of the Company.

ACTION TO BE TAKEN

A proxy form for use at the Annual General Meeting is enclosed herein. Whether or not you intend to attend the Annual General Meeting, you are requested to complete the proxy form and return it to the registered office of the Company at Suite 2308, 23rd Floor, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the Annual General Meeting. Completion and return of a proxy form will not prevent shareholders from attending and voting at the Annual General Meeting if they so wish.

LETTER FROM THE MANAGING DIRECTOR AND CHIEF EXECUTIVE

Pursuant to Article 57 of the Articles of Association of the Company, at any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll (on or before the declaration of the result of the show of hands) is demanded:

- (a) by the chairman of the meeting; or
- (b) by at least three members present in person or by proxy for the time being entitled to vote; or
- (c) by one member or two members present in person or by proxy and entitled to vote, if that member or those two members together hold not less than fifteen per cent of the paid up share capital of the Company.

A demand by a person or proxy for a member or in the case of a member being a corporation by its duly authorised representative shall be deemed to be the same as a demand by a member.

Unless a poll is demanded, a declaration by the Chairman that a resolution has been carried or lost and an entry to the effect in the minute book of the Company shall be conclusive evidence of the result of such resolution.

No shareholders of the Company shall be required to abstain from voting at the Annual General Meeting.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors jointly and severally accept responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement therein misleading.

RECOMMENDATION

The Directors believe that all the above-mentioned resolutions to be proposed at the Annual General Meeting are in the best interests of the Company and its shareholders. Accordingly, the Directors recommend that all shareholders should vote in favour of the resolutions set out in the notice of Annual General Meeting.

Yours faithfully,

DEREK CHIU

Managing Director and Chief Executive

This appendix serves as an explanatory statement, as required by the Listing 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 passing the Repurchase Resolution.

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

1. LISTING RULES FOR REPURCHASE OF SHARES

The Share Buy Back Rules permit companies whose primary listing are on the Stock Exchange to repurchase their fully paid up shares on the Stock Exchange subject to certain restrictions, the most important of which are summarized below:

(a) Shareholder's Approval

The Share Buy Back Rules provide that all on-market share repurchases by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of a specific approval in relation to specific transactions or by a general mandate to the directors of the company to make such repurchase.

(b) Source of Funds

Repurchase must be made out of funds which are legally available for the purpose and in accordance with the company's constitutive document and the laws of the jurisdiction in which the company is incorporated or otherwise established.

(c) Maximum Number of Shares to be Repurchased

A maximum of 10% of the existing issued share capital of a company at the date of passing the resolution may be repurchased on the Stock Exchange.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued and fully paid up share capital of the Company comprised 488,842,675 Shares.

Subject to the passing of the Repurchase Resolution and on the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, the Company would be allowed under the Repurchase Resolution to repurchase a maximum of 48,884,267 Shares, representing not more than 10% of the issued share capital of the Company as at the date of passing the resolution.

3. REASONS FOR REPURCHASE

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

4. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Memorandum and Articles of Association and the Companies Ordinance. The Companies Ordinance provides that the amount of capital repaid in connection with a share repurchase may only be paid from the distributable profits of the Company and/or the proceeds of a new issue of Shares, made for the purpose of the repurchase to such an extent allowable under the Companies Ordinance.

There might be an adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the latest published audited accounts contained in the annual report for the year ended 31st March 2008 in the event that the Repurchase Proposal were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise 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.

5. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange during each of the previous twelve months preceding the Latest Practicable Date were as follows:

	Share Prices Per Share	
	Highest HK\$	Lowest HK\$
2007		
July	0.510	0.420
August	0.440	0.300
September	0.385	0.325
October	0.370	0.320
November	0.360	0.300
December	0.350	0.250
2008		
January	0.375	0.270
February	0.320	0.280
March	0.300	0.250
April	0.310	0.270
May	0.305	0.270
June	0.300	0.255
July (up to and including the Latest Practicable Date)	0.275	0.240

6. UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, 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 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 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.

7. EFFECT OF TAKEOVER 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 Takeover 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 Takeover Code.

As at the Latest Practicable Date, Messrs. Deacon Te Ken Chiu, Derek Chiu, Dick Tat Sang Chiu, Chiu Ju Ching Lan, David Chiu and Margaret Chiu, being directors of the Company together with their respective associates were beneficially interested in an aggregate of 255,675,475 Shares representing 52.30% of the issued share capital of the Company. Based on such shareholdings and in the event that the Directors exercised in full the power to repurchase Shares under the Repurchase Proposal, if so approved, the shareholdings of Messrs. Deacon Te Ken Chiu, Derek Chiu, Dick Tat Sang Chiu, Chiu Ju Ching Lan, David Chiu and Margaret Chiu together with their respective associates would be increased to 58.11% of the issued share capital of the Company.

The Directors are not aware of any consequences which may arise under the Takeover Code as a result of any repurchases made under the Repurchase Proposal. In the event that the Repurchase Proposal is exercised in full, the number of Shares held by the public would not fall below 25%.

8. SHARE PURCHASE MADE BY THE COMPANY

In the six months preceding the Latest Practicable Date, the Company had not purchased any of its own Shares on the Stock Exchange.

The following is the information, as required to be disclosed by the Listing Rules, on the retiring Directors proposed to be re-elected at the Annual General Meeting.

Tan Sri Dato' David Chiu, B.Sc.

Aged 54. Joined the Far East Group in 1975 and was appointed as Director of the Company in 1979. He holds a double degree of Bachelor of Science in Business Administration and Economics at the University of Sophia, Japan. He has over 30 years' experience in the property development and related business. Since 1978, he had been the Managing Director of Far East Consortium Limited (the predecessor of Far East Consortium International Limited). He was appointed Deputy Chairman and Chief Executive Officer of Far East Consortium International Limited ("FECIL") on 8th December, 1994 and 8th October, 1997 respectively. FECIL is listed on the Hong Kong Stock Exchange. He is also a Non-executive Director of Far East Holdings International Limited.

In 1987, Tan Sri Dato' David Chiu founded Malaysia Land Holdings Berhad (Mayland Group) in Malaysia. Over the years, Mayland Group has extensive development and become one of the largest real estate developers in Malaysia. He is also the Chairman and substantial shareholder of Tokai Kanko Ltd., which is listed on the Tokyo Stock Exchange. In regard to his devotion to the community services, he is a trustee member of The Better Hong Kong Foundation and Chairman of Mid-Autumn Festival Celebration – People & Forces. In Malaysia, he was first conferred an honorary award which carried the title "Dato" by His Majesty, the King of Malaysia, in July 1997. At the end of 2005, he was awarded a more senior honorary title of "Tan Sri" by His Majesty of Malaysia. He is the son of Mr. Deacon Te Ken Chiu and Madam Chiu Ju Ching Lan and the brother of Messrs. Dick Tat Sang Chiu, Margaret Chiu, Dennis Chiu, Derek Chiu, Desmond Chiu and Duncan Chiu.

He beneficially owns 3,144,627 Shares, representing approximately 0.64% of the entire issued share capital of the Company as at the Latest Practicable Date. Save as disclosed above, he does not have any interests in Shares within the meaning of Part XV of the Securities and Futures Ordinance.

He receives no emolument from the Company except director's fee of HK\$10,000 per annum (with reference to previous year's fee and as approved by shareholders at the latest annual general meeting).

Ms. Margaret Chiu, LL.B.

Aged 51. Joined and was appointed as Director of the Company in 1989. She is also a Non-executive Director of Far East Holdings International Limited. She graduated with law degree from the University of Buckingham, the United Kingdom and has extensive experience in entertainment, television and motion picture business in Hong Kong, the People's Republic of China and overseas. Daughter of Mr. Deacon Te Ken Chiu and Madam Chiu Ju Ching Lan. Sister of Messrs. Dick Tat Sang Chiu, David Chiu, Dennis Chiu, Derek Chiu, Desmond Chiu and Duncan Chiu.

She beneficially owns 5,676,240 Shares, representing approximately 1.16% of the entire issued share capital of the Company as at the Latest Practicable Date. Save as disclosed above, she does not have any interests in Shares within the meaning of Part XV of the Securities and Futures Ordinance.

She receives emolument from the Company that is determined by the Board from time to time with reference to prevailing market conditions and director's fee of HK\$10,000 per annum (with reference to previous year's fee and as approved by shareholders at the latest annual general meeting).

Mr. Desmond Chiu, B.A. (*Deputy Managing Director*)

Aged 41. Joined and was appointed as Director of the Company in 1991 and was appointed as Deputy Managing Director of the Company in 1999. He graduated from the University of Cambridge, the United Kingdom. He is also a Non-executive Director of Far East Holdings International Limited. Son of Mr. Deacon Te Ken Chiu and Madam Chiu Ju Ching Lan. Brother of Messrs. Dick Tat Sang Chiu, David Chiu, Margaret Chiu, Dennis Chiu, Derek Chiu and Duncan Chiu.

He does not have any interests in Shares within the meaning of Part XV of the Securities and Futures Ordinance.

He receives no emolument from the Company except director's fee of HK\$10,000 per annum (with reference to previous year's fee and as approved by shareholders at the latest annual general meeting).

Mr. Ip Shing Hing, J.P.

Aged 53. Mr. Ip was appointed as an Independent Non-executive Director of the Company on 31 March 1997. He holds a Bachelor of Laws Degree from the University of Hong Kong and a Master of Arts in Arbitration and Alternative Dispute Resolution from the City University of Hong Kong. He has been a practising solicitor in Hong Kong for more than 20 years. He is also a member of the Audit Committee of the Company. Mr. Ip is an independent non-executive director of Quam Limited and a member of the independent committees of Wah Sang Gas Holdings Limited.

He does not have any interests in Shares within the meaning of Part XV of the Securities and Futures Ordinance.

He receives no emolument from the Company except director's fee of HK\$120,000 per annum (with reference to previous year's fee and as approved by shareholders at the latest annual general meeting).

None of the above-mentioned directors of the Company have a service contract with the Company or any of its subsidiaries. The term of office for director is the period up to his retirement by rotation in accordance with the Articles of Association of the Company.

Save as disclosed above, they do not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company.

Save as disclosed above, they do not hold directorship in other listed companies in the last three years.

Save as disclosed above, they do not hold any major appointment within the Group.

Save as disclosed above, there is no other information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules and the Directors are not aware of any matters in relation to the re-election of directors that should be brought to the attention of the Company's Shareholders.

**FAR EAST HOTELS AND ENTERTAINMENT LIMITED****遠東酒店實業有限公司**

(Incorporated in Hong Kong under the Companies Ordinance)

(Website: <http://www.tricor.com.hk/web/service/00037>)

(Stock Code: 0037)

NOTICE IS HEREBY GIVEN that an Annual General Meeting of the Company will be held at the Penthouse, Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong on Friday, 22 August 2008 at 3:00 p.m. for the purpose of considering and, if thought fit, passing the following resolutions which will be proposed:

ORDINARY RESOLUTIONS

1. To receive and consider the audited financial statements and the reports of the directors and auditors for the year ended 31 March 2008.
2. To elect directors (see Note 7) and to fix their fees.
3. To appoint auditors and to authorise the directors to fix their remuneration.
4. **“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 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 nominal amount of the share capital of the Company in issue at the date of 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; and
- (ii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.”

5. **“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 the Company and to make or grant offers, agreements and options (including bonds 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 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 (as hereinafter defined); (ii) an issue of shares 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 shares of the Company; (iii) an issue of shares as scrip dividends pursuant to the Articles of Association of the Company from time to time; or (iv) an issue of shares under any option scheme or similar arrangement 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, 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; and

- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting;

“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).”

6. **“THAT** subject to the passing of the Resolution Nos. 4 and 5 set out in the Notice convening this meeting, the general mandate granted to the Directors of the Company to allot and deal with additional shares pursuant to Resolution No. 5 set out in 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 Resolution No. 4 set out in 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 Resolution.”

SPECIAL RESOLUTION

7. **“THAT**

the Articles of Association (“Articles” or “Articles of Association”) of the Company be amended in the following manner:

- (a) Article 65A

By deleting the existing Article 65A in its entirety and substituting therefor the following new Article 65A:

“65A Where that Member is a recognised clearing house (within the meaning of the Securities and Futures Ordinance (Chapter 571) of the Laws of Hong Kong) or its nominee(s), it may authorise such person or persons as it thinks fit to act as its representative(s) or proxy(ies) at any Members’ meetings or any meetings of any class of Members provided that, if more than one person is so authorised, the authorisation or proxy form must specify the number and class of shares in respect of which each such person is so authorised. The person so authorised will be deemed to have been duly authorised without the need of producing any documents of title, notarised authorisation and/or further evidence for substantiating the facts that it is duly authorised and will be entitled

to exercise the same power on behalf of the recognised clearing house as that clearing house or its nominee(s) could exercise if it were an individual Member of the Company.”; and

(b) Article 76

Deleting the word “not” appearing after the word “shall” in the forth line in Article 76.”

By order of the Board
TANG SUNG KI
Secretary

23 July 2008

Notes:

1. The register of members of the Company will be closed from 20 August 2008 to 22 August 2008 (both days inclusive), during which period no transfer of shares will be effected. In order to qualify for attending the Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with Tricor Standard Limited, the Registrars of the Company, at 26/F., Tesbury Centre, 28 Queen’s Road East, Hong Kong not later than 4:00p.m. on 19 August 2008.
2. Any member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him/her. A proxy need not be a member of the Company.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of any officer, attorney or other person authorised to sign the same.
4. In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be lodged with the registered office of the Company at Suite 2308, 23rd Floor, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjourned meeting (as the case may be).
5. Completion and return of the form of proxy will not preclude members from attending and voting in person at the meeting or at any adjourned meeting (as the case may be) should they so wish, and in such event, the form of proxy shall be deemed to be revoked.
6. Where there are joint registered holders of any share, any one of such joint holders may vote, either in person or by proxy, in respect of such Share as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the meeting, the most senior shall alone be entitled to vote, whether in person or by proxy. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
7. In accordance with Articles 78 and 79 of the Company’s Articles of Association, Mr. David Chiu, Ms. Margaret Chiu, Mr. Desmond Chiu and Mr. Ip Shing Hing shall retire from office at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.
8. As at the date hereof, the executive Directors are Mr. Deacon Te Ken Chiu, Mr. Derek Chiu, Mr. Desmond Chiu, Ms. Margaret Chiu; the non-executive Directors are Mrs. Chiu Ju Ching Lan, Mr. Dick Tat Sang Chiu, Mr. David Chiu, Mr. Dennis Chiu, Mr. Duncan Chiu; the independent non-executive Directors are Mr. Ip Shing Hing, Mr. Ng Wing Hang Patrick, Mr. Choy Wai Shek Raymond; alternate Directors are Mr. Chan Chi Hing (alternate Director to Mr. Deacon Te Ken Chiu), Mr. Tang Sung Ki (alternate Director to Mr. Desmond Chiu).