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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,
PROPOSED AMENDMENTS TO INVESTMENT OBJECTIVES,
POLICIES AND RESTRICTIONS
AND RELATED AMENDMENTS TO ARTICLES OF ASSOCIATION
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an annual general meeting of SHK Hong Kong Industries Limited (the "Company") to be held at Plaza 3, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Thursday, 5th June, 2014 at 10:00 a.m. is set out on pages 12 to 17 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, Level 22, Hopewell Centre, 183 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.

Hong Kong, 22nd April, 2014

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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 Thursday, 5th June, 2014 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 new Companies Ordinance, Chapter 622 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”	14th April, 2014 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
“Prospectus”	the prospectus of the Company dated 6th December, 1990
“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 for Shares up to a maximum of 10% of the issued shares of the Company as at the date of the Repurchase Resolution

DEFINITIONS

“Repurchase Resolution”	the proposed ordinary resolution as referred to in item 5(I) of the notice of Annual General Meeting
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of the Company with no par value
“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 Code on Takeovers and Mergers
“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

Louie Chun Kit

Registered Office:

Room 1801, 18th Floor

Allied Kajima Building

138 Gloucester Road

Wanchai, Hong Kong

22nd April, 2014

To Shareholders

Dear Sir or Madam,

**PROPOSALS FOR RE-ELECTION OF RETIRING DIRECTORS,
GENERAL MANDATES TO REPURCHASE
SHARES AND TO ISSUE SHARES,
PROPOSED AMENDMENTS TO INVESTMENT OBJECTIVES,
POLICIES AND RESTRICTIONS
AND RELATED AMENDMENTS TO ARTICLES OF ASSOCIATION
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; (ii) the granting to the Directors of general mandate to issue Shares up to 20% of the Company's issued shares and general mandate to repurchase Shares up to 10% of the Company's issued shares as at the date of the passing of such resolutions; (iii) the proposed amendments to investment objectives, policies and restrictions and related amendments to the Articles of Association referred to in paragraph 6 of the notice of the Annual General Meeting.

LETTER FROM THE BOARD

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.

In accordance with Article 101 of the Articles of Association, Mr. Mark Wong Tai Chun and Mr. Albert Ho retire by rotation and, being eligible, offer themselves for re-election at the Annual General Meeting.

Up to the date of this circular, Mr. Albert Ho has served as an independent non-executive Director for more than nine years since September 2004. 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 Mr. Albert Ho a confirmation of independence pursuant to Rule 3.13 of the Listing Rules. Mr. Albert Ho has not engaged in any executive management of the Group. Taking into consideration of his independent scope of works, the Directors consider Mr. Albert Ho to be independent under the Listing Rules despite the fact that he has served the Company for over nine years. Mr. Albert Ho 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 24th May, 2013, 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 Annual General Meeting respectively granting to the Directors a general mandate to allot, issue and deal with Shares not exceeding 20% of the issued shares 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 shares of the Company as at the date of the Repurchase Resolution.

LETTER FROM THE BOARD

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

Subject to the passing of the ordinary resolution as referred to in item 5(II) of the notice of 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 shares of the Company at the Latest Practicable Date.

PROPOSED AMENDMENTS TO INVESTMENT OBJECTIVES, POLICIES AND RESTRICTIONS AND RELATED AMENDMENTS TO ARTICLES OF ASSOCIATION

As the original Prospectus and Articles of Association of the Company contain investment restrictions which are far more restrictive than the requirements under Rule 21.04(3) of the Listing Rules, they reduced greatly the investment opportunities that are otherwise open to the Company. By amending the investment objectives, policies and restrictions, the Board believes it would broaden the investment objective to enable the Company to pursue more opportunities as and when they arise.

Details of the proposed amendments to Articles of Association are set out in paragraph 6 of the notice of the Annual General Meeting contained in this circular.

The legal adviser of the Company as to Hong Kong laws has confirmed that the proposals relating to amendments to Articles of Association comply with the requirements of the Listing Rules. The Company also confirms that there is nothing irregular or unusual in the proposed amendments to Articles of Association and/or the amended Articles of Association.

The proposed amendments to Articles of Association referred to in the notice of the Annual General Meeting are subject to Shareholders' approval by way of special resolution at the Annual General Meeting.

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, 2013, the Directors' report and the independent auditor's report, declaration of final dividend, the re-election of retiring 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 Shares and proposed amendments to investment objectives, policies and restrictions and related amendments to Articles of Association. The notice of Annual General Meeting is set out on pages 12 to 17 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.

LETTER FROM THE BOARD

The register of members of the Company will be closed on Wednesday, 4th June, 2014 and Thursday, 5th June, 2014, during which period no transfer of shares of the Company will be registered. To be eligible to attend and vote at the Annual General Meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Secretaries Limited of Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 3rd June, 2014.

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, Level 22, Hopewell Centre, 183 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 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 two retiring Directors proposed to be re-elected at the Annual General Meeting of the Company:

1. Mr. Mark Wong Tai Chun (“Mr. Wong”)

Mr. Wong, aged 49, was appointed as an Executive Director of the Company in December 2008. He is also an executive committee member of the Company. He has a Master’s Degree in Business Administration and is a fellow of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants, The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries. He was the financial controller of other listed companies in Hong Kong. He is also an executive director of Allied Properties (H.K.) Limited (“APL”) and the director of investment of Allied Group Limited (“AGL”), a substantial Shareholder of the Company. APL and AGL are companies listed on the main board of the Stock Exchange. He is an alternate director to Mr. Arthur George Dew in each of Tanami Gold NL and Eurogold Limited. Tanami Gold NL and Eurogold Limited are companies listed on the Australian Securities Exchange. He resigned as the chief executive officer and an executive director of Allied Overseas Limited, a company listed on the main board of the Stock Exchange, in January 2014. He is also a director of certain of subsidiaries of the Company.

Save as disclosed above, Mr. Wong did not hold any other directorships in listed public companies during the past three years and he does not hold any other position with the Company and other members of the Group. Mr. Wong 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 interests in Shares in the Company within the meaning of Part XV of the SFO.

There is no proposed length of service of Mr. Wong with the Company. He is subject to retirement by rotation and re-election in accordance with the Articles of Association. His Director’s fee is discretionary to be reviewed by the remuneration committee of the Company and determined 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, 2013, Mr. Wong 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, in relation to the re-election of Mr. Wong as an Executive Director, 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. Mr. Albert Ho (“Mr. Ho”)

Mr. Ho, aged 56, 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 Zhuhai Holdings Investment Group Limited, a company listed on the main board of the Stock Exchange.

Save as disclosed above, Mr. Ho 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 to be reviewed by the remuneration committee of the Company and determined 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, 2013, 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. Mr. Ho is proposed for re-election by Shareholders at the Annual General Meeting by way of a separate resolution.

Save as disclosed above, in relation to the re-election of Mr. Ho as an Independent Non-Executive Director, 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 shares of the Company as at the date of the Repurchase Resolution.

This appendix also constitutes the memorandum required under Section 239(2) of the Companies Ordinance.

1. SHARES OF THE COMPANY

As at the Latest Practicable Date, the number of issued shares of the Company was 4,111,704,320 fully 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 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 financial statements contained in the annual report for the year ended 31st December, 2013 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, 2013	0.198	0.180
May, 2013	0.207	0.173
June, 2013	0.182	0.172
July, 2013	0.185	0.175
August, 2013	0.184	0.174
September, 2013	0.200	0.178
October, 2013	0.221	0.200
November, 2013	0.215	0.206
December, 2013	0.240	0.210
January, 2014	0.270	0.212
February, 2014	0.230	0.218
March, 2014	0.255	0.216
April, 2014 (up to the Latest Practicable Date)	0.265	0.248

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 3,082,889,606 Shares, representing approximately 74.97% of issued shares of the Company, as recorded in the register of interests and short positions kept under Part XV of the SFO. These 3,082,889,606 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 69.36% interest of the issued shares 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 83.31% of the issued shares 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 Thursday, 5th June, 2014 at 10:00 a.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements and the report of the directors and independent auditor’s report for the year ended 31st December, 2013.
2. To declare a final dividend of HK1 cent per share for the year ended 31st December, 2013.
3.
 - (i) To re-elect Mr. Mark Wong Tai Chun as executive director of the Company;
 - (ii) To re-elect Mr. Albert Ho (who has served as an independent non-executive director of the Company for more than nine years) as independent non-executive director of the Company; and
 - (iii) To authorise the board of directors of the Company (“the Board”) to fix the remuneration of directors of the Company.
4. To re-appoint BDO Limited as auditor of the Company and to authorise the Board to fix its 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 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

NOTICE OF ANNUAL GENERAL MEETING

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 number 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 issued shares of the Company 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 141 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, 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 number of share 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 issued shares 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 a number representing the aggregate number of shares 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 number of shares so repurchased shall not exceed 10% of the issued shares of the Company at the date of the said ordinary resolution referred to in item 5(I).”

6. As special business, for the purpose of considering and, if thought fit, passing the following resolution which will be proposed as special resolution of the Company:

SPECIAL RESOLUTION

“THAT:

the existing Article 178 of, and the Appendix annexed to, the Articles of Association of the Company be deleted in its entirety and the following be and is hereby adopted as new Article 178 of the Articles of Association of the Company:

178 For so long as the shares of the Company are listed on The Stock Exchange of Hong Kong Limited under Chapter 21 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”):

- (a) The principal investment objective of the Company is to achieve long term capital appreciation by primarily investing in:
- shares, options and warrants issued by listed and unlisted companies;
 - bonds, debts, loans and fixed income instruments issued by listed and unlisted companies and governments, with or without any right to subscribe or acquire shares or other assets;
 - derivative contracts issued by financial institutions;
 - joint ventures in any legal form;

NOTICE OF ANNUAL GENERAL MEETING

- investment funds, including limited partnerships and such other forms commonly used in the financial markets;
 - futures contracts for the purpose of hedging; and
 - interests in properties and real estates;
- (b) The Company will not either on its own or in conjunction with any connected person (as defined in the Listing Rules), take legal or effective management control of underlying investments and in any event will not own or control more than 30% (or such other percentage as may from time to time be specified in the Takeovers Code as being the level for triggering a mandatory general offer) of the voting rights in any one company or body except in relation to wholly-owned subsidiaries of the Company; and
- (c) The Company shall maintain a reasonable spread of investments and the value of its holding of investments issued by any one company or body shall not exceed 20% of the net asset value of the Company at the time the investment is made.

and the investment objective and policies of the Company as set out in the section headed "Investment Objective and Policies" on pages 6 and 7 of the prospectus dated 6th December, 1990 issued by the Company be and is hereby amended accordingly."

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

Hong Kong, 22nd April, 2014

NOTICE OF ANNUAL GENERAL MEETING

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 to speak 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, Level 22, Hopewell Centre, 183 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 item no. 3 in this notice, details of the retiring directors are set out in Appendix I to the circular to shareholders of the Company dated 22nd April, 2014.
4. The register of members of the Company will be closed on Wednesday, 4th June, 2014 and Thursday, 5th June, 2014, during which period no transfer of shares of the Company will be registered. To be eligible to attend and vote at the Annual General Meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Secretaries Limited of Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 3rd June, 2014.
5. The register of members of the Company will be closed on Thursday, 12th June, 2014 and Friday, 13th June, 2014, during which period no transfer of shares of the Company will be registered. In order for the Shareholder to qualify for the proposed final dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Secretaries Limited of Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 11th June, 2014.