
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Next Digital 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.

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



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

A notice convening the Annual General Meeting of Next Digital Limited to be held at the Conference Room on the 1st Floor, 3 Chun Kwong Street, Tseung Kwan O Industrial Estate, Tseung Kwan O, New Territories, Hong Kong on Friday, 28 July 2017 at 3:00 p.m. is set out on pages 14 to 18 of this circular.

If there is a "black" rainstorm warning or a tropical cyclone warning signal number 8 or above in force at or after 1:00 p.m. on 28 July 2017 and/or the Hong Kong Observatory has announced at or before 1:00 p.m. on 28 July 2017 that either of the above mentioned warnings is to be issued within the next two hours, the Annual General Meeting shall automatically be postponed to the next Business Day on which no "black" rainstorm warning or tropical cyclone warning signal number 8 or above is hoisted between the hours from 1:00 p.m. to 3:00 p.m. and in such case the Annual General Meeting shall be held at 3:00 p.m. on that Business Day at the Conference Room on the 1st Floor, 3 Chun Kwong Street, Tseung Kwan O Industrial Estate, Tseung Kwan O, New Territories, Hong Kong.

Whether or not you are able to attend the Annual General Meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the registered office of Next Digital Limited at 1st Floor, 8 Chun Ying Street, Tseung Kwan O Industrial Estate, Tseung Kwan O, New Territories, Hong Kong as soon as possible and, in any event, not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the Annual General Meeting or any adjournment thereof should you so wish.

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	4
Introduction	4
Re-election of Directors	4
General Mandate to Issue Shares	5
General Mandate to Repurchase Shares	5
Extension of Share Issue Mandate	6
Annual General Meeting	6
Voting by Poll	6
Recommendation	7
Responsibility Statement	7
General Information	7
Appendix I – Details of Directors standing for re-election	8
Appendix II – Explanatory Statement of the Repurchase Proposal	11
Notice of Annual General Meeting	14

DEFINITIONS

In this circular and the appendices to it, unless the context otherwise requires, the following expressions have the following meanings:

“AGM” or “Annual General Meeting”	the annual general meeting of the Company to be held on Friday, 28 July 2017 at 3:00 p.m.
“AGM Notice”	the notice convening the Annual General Meeting, which is set out on pages 14 to 18 of this circular
“Articles of Association”	the articles of association of the Company as amended, supplemented or modified from time to time
“Audit Committee”	the audit committee established by the Board on 19 March 1999 with specific terms of reference with primary responsibilities for overseeing the Group’s financial reporting, the appointment of auditor and their fees, and the effectiveness of the internal control and risk management systems
“Board”	the board of directors of the Company
“Business Day(s)”	any day(s) (excluding Saturdays, Sundays or public holidays) on which the banks in Hong Kong generally are open for business
“CEO”	the chief executive officer of the Group
“CFO”	the chief financial officer of the Group
“CG Code”	Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 of the Listing Rules
“Company”	Next Digital Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended from time to time

DEFINITIONS

“Controlling Shareholder”	Mr. Lai Chee Ying, Jimmy who held 1,786,533,165 Shares, representing approximately 73.46% of the total issued Shares of the Company, as at the Latest Practicable Date
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Group Company”	a member of the Group
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	22 June 2017, the latest practicable date for ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nomination Committee”	the nomination committee established by the Board on 30 March 2012 with specific terms of reference with primary responsibilities for reviewing the structure, size and composition of the Board and making recommendations to the Board as and when appropriate.
“Remuneration Committee”	the remuneration committee established by the Board on 15 March 2005 with specific terms of reference with primary responsibility for reviewing and developing all policies appertaining to the remuneration of the Directors and members of senior management
“Repurchase Proposal”	the proposed general mandate to the Directors to exercise the powers of the Company to repurchase during the period as set out in the Repurchase Resolution on the Stock Exchange, Shares representing up to a maximum of 10% of the issued Shares of the Company as at the date of passing the Repurchase Resolution

DEFINITIONS

“Repurchase Resolution”	the proposed ordinary resolution to approve the Repurchase Proposal as referred to in the AGM Notice
“Securities and Futures Ordinance”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Share(s)”	ordinary share(s) of the Company
“Share Subscription and Financing Plan” or “Plan”	a share subscription and financing plan adopted on 29 October 2007 by the Board whereby selected eligible persons may be invited to apply for new Shares and offered the opportunity to finance their subscription by way of Plan loans
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent

LETTER FROM THE BOARD

NEXT DIGITAL

NEXT DIGITAL LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00282)

Non-executive Director:

Ip Yut Kin (*Non-executive Chairman*)

Executive Directors:

Cheung Ka Sing, Cassian (*CEO*)

Chow Tat Kuen, Royston (*CFO*)

Independent Non-Executive Directors:

Wong Chi Hong, Frank

Lee Ka Yam, Danny

Bradley Jay Hamm

Registered office:

1st Floor

8 Chun Ying Street

Tseung Kwan O Industrial Estate

Tseung Kwan O

New Territories

Hong Kong

27 June 2017

To the Shareholders

Dear Sir or Madam,

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

INTRODUCTION

The purpose of this circular is to give you notice of the Annual General Meeting to be held on Friday, 28 July 2017 and to provide you with information regarding ordinary resolutions to be proposed at the Annual General Meeting to (i) the re-election of Directors and (ii) the granting to the Directors of general mandates to allot and issue and repurchase Shares.

RE-ELECTION OF DIRECTORS

Pursuant to articles 84 and 85 of the Articles of Association, at every annual general meeting, one-third of the relevant number of Directors or, if their number is not a multiple of three, then the number nearest to but not exceeding one-third, shall retire from office. Accordingly, Mr. Ip Yut Kin and Mr. Cheung Ka Sing, Cassian will retire from office and, being eligible, offer themselves for re-election at the Annual General Meeting. Biographical details of such Directors are set out in Appendix I of this circular.

LETTER FROM THE BOARD

GENERAL MANDATE TO ISSUE SHARES

At the annual general meeting of the Company held on 29 July 2016, a general mandate was granted to the Directors to exercise the power of the Company to allot and issue Shares (and securities convertible into Shares). This mandate will expire at the conclusion of the Annual General Meeting. Accordingly, an ordinary resolution will be proposed at the Annual General Meeting to grant to the Directors a general mandate to allot and issue 486,365,376 Shares (and securities convertible into Shares) not exceeding 20% of the issued Shares of the Company as at the date of the passing of the resolution. This 20% limit will not apply to Shares that may be issued pursuant to, inter alia, (i) a rights issue, (ii) scrip dividend extended to all Shareholders and (iii) the exercise of subscription rights under the share option schemes of the Company. Such general mandate (if granted) will continue in force until the conclusion of the next general meeting of the Company to be held in 2018 or the revocation or variation of the authority given under the resolution by the Company, whichever is the earlier.

No invitations were made and accepted during the financial year ended 31 March 2017 and up to the Latest Practicable Date under the Share Subscription and Financing Plan. All invitations (representing a total of 35,194,000 Shares) issued under the Share Subscription and Financing Plan were lapsed during the financial year ended 31 March 2013.

GENERAL MANDATE TO REPURCHASE SHARES

At the annual general meeting of the Company held on 29 July 2016, a general mandate was granted to the Directors to exercise the powers of the Company to repurchase Shares representing up to a maximum of 10% of the issued Shares of the Company. This mandate will expire at the conclusion of the Annual General Meeting. Accordingly, the Repurchase Resolution will be proposed at the Annual General Meeting to grant to the Directors a general mandate to repurchase 243,182,688 Shares representing 10% of the issued Shares of the Company as at the date of passing of the Repurchase Resolution. Such general mandate (if granted) will continue in force until the conclusion of the next general meeting of the Company to be held in 2018 or the revocation or variation of the authority given under the resolution by the Company, whichever is the earlier. In accordance with the rules regulating the repurchase of securities on the Stock Exchange, an explanatory statement providing the requisite information relating to the Repurchase Proposal is set out in Appendix II of this circular.

LETTER FROM THE BOARD

EXTENSION OF SHARE ISSUE MANDATE

Subject to the passing at the Annual General Meeting of the Repurchase Resolution and the proposed ordinary resolution regarding the general mandate to issue Shares, an ordinary resolution will be proposed at the Annual General Meeting to approve the addition to the general mandate to allot and issue new Shares (as referred to above) those number of Shares that may be repurchased by the Company under the Repurchase Resolution.

ANNUAL GENERAL MEETING

The AGM Notice is set out on pages 14 to 18 of this circular. Ordinary resolutions in respect of the re-election of the Directors, the general mandate to allot and issue Shares and the Repurchase Proposal will be proposed at the Annual General Meeting.

A form of proxy for use at the Annual General Meeting is enclosed with this circular. Whether or not you are able to attend the Annual General Meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the registered office of the Company at 1st Floor, 8 Chun Ying Street, Tseung Kwan O Industrial Estate, Tseung Kwan O, New Territories, Hong Kong as soon as possible and, in any event, not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish.

VOTING BY POLL

Pursuant to rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The Chairman of the Annual General Meeting will therefore demand voting on all resolutions set out in the AGM Notice be taken by way of poll.

On a poll, every Shareholder present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy shall have one vote for each Share registered in his name in the register. A Shareholder entitled to more than one vote is under no obligation to cast all his votes in the same way.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the general mandate to allot and issue Shares and the Repurchase Proposal are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend all Shareholders to vote in favour of all of the ordinary resolutions to be proposed as special business at the Annual General Meeting.

The Controlling Shareholder has indicated that he intends to vote in favour of all of the ordinary resolutions to be proposed as special business at the Annual General Meeting in respect of his shareholdings in the Company.

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 collectively and individually accept full 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 herein misleading.

GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this circular.

Yours faithfully,
By Order of the Board
Cheung Ka Sing, Cassian
Chief Executive Officer

Pursuant to articles 84 and 85, Mr. Ip Yut Kin (“Mr. Ip”) and Mr. Cheung Ka Sing, Cassian (“Mr. Cheung”) shall retire at the Annual General Meeting and, being eligible, offer themselves for re-election at the Annual General Meeting. Their biographical details are as follows:

Mr. Ip Yut Kin, aged 65, has been the non-executive Chairman of the Group and a non-executive Director of the Company since June 2016. Prior to the aforesaid appointment, he was an executive Director of the Company and the Chief Executive Officer – Print Media to oversee the Group’s newspapers, magazines and print operations in both Hong Kong and Taiwan, as well as the Publisher of *Apple Daily*. Before he joined the Group, Mr. Ip worked with many leading Hong Kong newspapers during a long journalistic career that spanned more than 30 years. He is a graduate of the National Chengchi University of Taiwan with a Bachelor of Social Sciences (Journalism) degree.

Other than in his capacity as a non-executive Director and by virtue of his shareholding interests in the Company (details of which are described below), Mr. Ip is not related to and has no business relationship with the other Directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules) of the Company. Mr. Ip also did not hold any directorship in other public companies in the last three years.

As at the Latest Practicable Date and as notified to the Company for the purposes of Part XV of the Securities and Futures Ordinance, Mr. Ip had a personal interest and a family interest in a total of 12,830,377 Shares and a derivative interest in respect of 2,500,000 Shares, representing 0.528% and 0.103% of the total issued Shares of the Company respectively.

Mr. Ip does not have a service contract with the Company. He has been appointed as a non-executive Director for a fixed term expiring on 7 June 2018, subject to the provisions relating to re-election and retirement by rotation at annual general meeting as stipulated in the Articles of Association. Mr. Ip is entitled to receive a Director’s fee per annum, as may be reviewed by the Remuneration Committee and approved by the Board with reference to his responsibilities and prevailing market practices subject to authority being granted by the Shareholders at the Annual General Meeting. Mr. Ip received a Director’s fee of HK\$200,000 for the year ended 31 March 2017.

Save as disclosed above, there is no information relating to Mr. Ip which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders.

Mr. Cheung Ka Sing, Cassian, aged 62, has been a Director of the Company since November 2008. He has been re-designated as Chief Executive Officer of the Group from October 2011. Mr. Cheung is responsible for formulation of the Group's strategies, and leads the management and operation units to achieve goals set by the Board. He has also been appointed as the Interim Chairman of the Group with effect from 12 December 2014 and then resigned as the Interim Chairman on 8 June 2016.

Mr. Cheung started his career with Nestle in the U.S.A. and had held various senior management positions in Quaker Oats and Wal-Mart. He is currently an independent non-executive director of Trinity Limited, a company listed on The Stock Exchange of Hong Kong Limited.

Mr. Cheung is a member of the Global Advisory Board of the Kellogg School of Management of Northwestern University, U.S.A., and an advisory member of the Global Business program of the Business School of the Hong Kong University of Science and Technology. He attended universities in the U.S.A. and received a Master of Management degree from the Northwestern University Kellogg School of Management and an honorary degree of Doctor of Humane Letters from Saint Joseph's College, Indiana, U.S.A.

Other than in his capacity as a Director and by virtue of his shareholding interests in the Company (details of which are described below), Mr. Cheung is not related to and has no business relationship with the other Directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules) of the Company. Save as disclosed above, Mr. Cheung also did not have directorship held in other public companies in the last three years.

As at the Latest Practicable Date and as notified to the Company for the purposes of Part XV of the Securities and Futures Ordinance, Mr. Cheung has a personal interest in 18,172,000 Shares and a derivative interest in respect of 34,000,000 Shares, representing approximately 0.747% and 1.398% of the total issued Shares of the Company respectively. Mr. Cheung also has a derivative interest in respect of 50,000 shares and 50,000 shares, representing 0.50% and 0.49% in the total issued shares of nxTomo Ltd. and nxTomo Games Limited respectively, both being the wholly-owned subsidiaries of the Company.

Mr. Cheung has a service contract with Next Media Management Services Limited, a wholly-owned subsidiary of the Company for a fixed term of two years which will expire on 31 January 2018. Pursuant to his service contract, Mr. Cheung is entitled to receive a monthly salary of HK\$321,700 on a 14-month basis and certain allowances. He is also entitled to senior executive incentive bonus pegged to performance and CEO bonus pegged to the total market capitalization of the Company. Such emoluments are determined with reference to his job responsibilities, the Group's performance and profitability as well as remuneration benchmark in the industry.

In addition, he is entitled to receive a Director's fee per annum, subject to the review by the Remuneration Committee and the approval by the Board, with reference to his responsibilities and prevailing market practices subject to an authority being granted by the Shareholders at the Annual General Meeting. Mr. Cheung received emoluments including salaries and other benefits in the total amount of HK\$5,887,774 and a Director's fee of HK\$260,000 for the year ended 31 March 2017.

Save as disclosed above, there is no information relating to Mr. Cheung which is required to be disclosed pursuant to rule 13.51(2) of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders.

This Appendix contains an explanatory statement, as required by Rule 10.06(1)(b) of the Listing Rules, to provide the requisite information to you for your consideration of the Repurchase Proposal and to enable you to make an informed decision as to whether or not to vote in favour of the ordinary resolution approving the Repurchase Proposal. It also constitutes a memorandum as required under section 239(2) of the Companies Ordinance.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company consisted of 2,431,826,881 Shares. Subject to the passing of the Repurchase Resolution and on the basis that no other Shares are issued or repurchased between the Latest Practicable Date and the date of the approval of the Repurchase Proposal, the Company would be authorised under the Repurchase Resolution to repurchase a maximum of 243,182,688 Shares (representing not more than 10% of the issued Shares of the Company traded on the Stock Exchange as at the Latest Practicable Date).

2. SHAREHOLDER APPROVAL/TRADING RESTRICTIONS

The Listing Rules provide that all proposed repurchases of securities by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of a general mandate or by a specific approval of a particular transaction.

3. REASONS FOR REPURCHASE

The Directors believe that the Repurchase Proposal is in the best interests of the Company and the Shareholders. Repurchases of Shares may, depending on market conditions and funding arrangements at the time, lead to an enhancement of Shareholder value and will only be made when the Directors believe that such repurchase will benefit the Company and the Shareholders.

4. FUNDING OF REPURCHASE

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Articles of Association, the Listing Rules and the laws of Hong Kong.

A material 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 of the Company for the year ended 31 March 2017, the most recent published audited financial statements of the Company) may occur in the event that the general mandate under the Repurchase Proposal is utilised in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the general mandate under the Repurchase Proposal to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or its 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 been traded on the Stock Exchange during each of the previous twelve months prior to the Latest Practicable Date are as follows:

	Shares	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
June 2016	0.430	0.390
July 2016	0.415	0.390
August 2016	0.445	0.395
September 2016	0.445	0.380
October 2016	0.435	0.395
November 2016	0.415	0.370
December 2016	0.390	0.345
January 2017	0.380	0.355
February 2017	0.390	0.360
March 2017	0.390	0.360
April 2017	0.370	0.345
May 2017	0.365	0.330
June 2017 (up to the Latest Practicable Date)	0.370	0.330

6. UNDERTAKING

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

7. TAKEOVERS CODE

If, on the exercise of the general mandate 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 may, in certain circumstances, become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, the Controlling Shareholder held 1,786,533,165 Shares representing approximately 73.46% of the issued Shares of the Company. As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, the Controlling Shareholder and Madam Li Wan Kam, Teresa, who is the spouse of the Controlling Shareholder and is deemed to be interested in the Shares held by the Controlling Shareholder, are the only persons who are interested in 10% or more of the issued Shares.

In the event that the Directors exercise in full the power to repurchase Shares under the Repurchase Proposal, the shareholding of the Controlling Shareholder and the deemed interest of Madam Li Wan Kam, Teresa would be increased to approximately 81.63% 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. Having said that, the Directors have no intention to exercise the power to repurchase Shares to such an extent when the number of Shares in the hands of the public falling below the prescribed minimum percentage of 25%.

8. SHARE REPURCHASE MADE BY THE COMPANY

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

9. MISCELLANEOUS

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their respective associates (as defined in the Listing Rules), have any present intention to sell any Shares to the Company or its subsidiaries if the Repurchase Proposal is approved by the Shareholders.

No connected persons (as defined in the Listing Rules) of the Company have notified it of a present intention to sell any 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.

NOTICE OF ANNUAL GENERAL MEETING

NEXT DIGITAL

NEXT DIGITAL LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00282)

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of Next Digital Limited (the “Company”) will be held at the Conference Room on the 1st Floor, 3 Chun Kwong Street, Tseung Kwan O Industrial Estate, Tseung Kwan O, New Territories, Hong Kong on Friday, 28 July 2017 at 3:00 p.m. for the purpose of transacting the following business:–

Ordinary business

1. To receive, consider and adopt the Reports of the Directors and the Auditor and the audited Financial Statements for the year ended 31 March 2017.
2. (a) To re-elect Mr. Ip Yut Kin as a non-executive Director of the Company.
(b) To re-elect Mr. Cheung Ka Sing, Cassian as an executive Director of the Company.
3. To approve a sum not exceeding HK\$3,000,000 to be paid to the Directors of the Company as fees of the Directors for the year ending 31 March 2018.
4. To re-appoint Deloitte Touche Tohmatsu as Auditor and to authorise the Directors to fix their remuneration.

Special business

To consider and, if thought fit, pass with or without modification the following as ordinary resolutions:–

5. “**THAT:**
 - (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all of the powers of the Company to allot and issue additional shares in the capital of the Company (including but not limited to the share subscription and financing plan of the Company adopted on 29 October 2007) and to make or grant offers, agreements and options (including warrants and securities convertible or exercisable into shares of the Company) which might require the exercise of such powers either during or after the Relevant Period be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
- (i) a Rights Issue (as hereinafter defined);
 - (ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company;
 - (iii) the exercise of the subscription rights under any option scheme or similar arrangement for the time being adopted (excluding the share subscription and financing plan of the Company adopted on 29 October 2007) for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; or
 - (iv) any scrip dividend or similar arrangement providing for the allotment of the shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company;

shall not exceed 20% of the aggregate number of the shares of the Company in issue as at the date of the passing of this Resolution and the said approval shall be limited accordingly;

- (c) for the purposes of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the Articles of Association of the Company to be held; and
- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the Company in general meeting; and

NOTICE OF ANNUAL GENERAL MEETING

“Rights Issue” means an offer of shares in the Company, or an offer of warrants, options or other securities giving rights to subscribe for shares in the Company, open for a period fixed by the Directors to the holders of shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors, after making enquiry, may deem necessary or expedient in relation to fractional entitlements or having regard to any legal restrictions under the laws of the relevant place, or the requirements of the relevant regulatory body, or any stock exchange in that place).”

6. **“THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all of the powers of the Company to repurchase shares in the capital of the Company, subject to and in accordance with all applicable laws and requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate number of shares of the Company which may be repurchased by the Directors pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the aggregate number of the shares of the Company in issue as at the date of the passing 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 earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the Articles of Association of the Company to be held; and
- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the Company in general meeting.”

NOTICE OF ANNUAL GENERAL MEETING

7. “**THAT** conditional upon the passing of Resolutions Nos. 5 and 6 set out in the Notice of this Meeting, the aggregate number of shares of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to and in accordance with the mandate granted under Resolution No. 5 set out in the Notice of this Meeting be and is hereby increased and extended by adding the aggregate number of shares in the capital of the Company which may be repurchased by the Company pursuant to and in accordance with the mandate granted under Resolution No. 6 set out in the Notice of this Meeting provided that such number of shares of the Company so repurchased shall not exceed 10% of the aggregate number of the issued shares of the Company as at the date of the passing of this Resolution”.

By Order of the Board
Chow Tat Kuen, Royston
Director

Hong Kong, 27 June 2017

Notes:

1. Pursuant to the Listing Rules and the Articles of Association of the Company, any vote of member at a general meeting must be taken by poll except where the chairman of the meeting of the Company, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.
2. Any member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies to attend and vote instead of such member in accordance with the Articles of Association of the Company. A proxy need not be a member of the Company.
3. A member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.
4. In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and 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, the first named being the senior.
5. In order to be valid, the form of proxy together with a power of attorney or other authority (if any) under which it is signed, or a notorially certified copy of such power or authority, must be received by the Company at 1st Floor, 8 Chun Ying Street, Tseung Kwan O Industrial Estate, Tseung Kwan O, New Territories, Hong Kong not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof.
6. The Register of Members of the Company will be closed from Tuesday, 25 July 2017 to Friday, 28 July 2017, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting of the Company, all transfers accompanied by the relevant share certificates must be lodged with the Company’s Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong, not later than 4:30 p.m. on Monday, 24 July 2017.

NOTICE OF ANNUAL GENERAL MEETING

7. In relation to Resolution No. 2 in this Notice, Mr. Ip Yut Kin and Mr. Cheung Ka Sing, Cassian will retire at the Annual General Meeting pursuant to the Company's Articles of Association and being eligible, offer themselves for re-election. The re-election of the aforementioned Directors will be individually voted on by the shareholders of the Company. The biographical details and interests in the shares of the Company and its subsidiaries within the meanings of Part XV of the Securities and Futures Ordinance of those Directors who stand for re-election at the Annual General Meeting are set out in Appendix I of the circular accompanying this Notice.
8. In relation to Resolution No. 3 in this Notice, it is proposed that a sum not exceeding HK\$3,000,000 be paid as fees to the Directors of the Company, such sum to be divided between the Directors of the Company in such ways as may be determined by the Board of Directors. The executive Directors of the Company are paid in accordance with their remuneration packages and in such sums as determined by the Board of Directors.
9. In relation to Resolution Nos. 5 and 6, the Directors wish to state that they have no immediate plan to issue any new shares of the Company. The general mandate is being sought from the shareholders in compliance with the Companies Ordinance and the Listing Rules.
10. In relation to Resolution No. 6, the Directors wish to state that they will exercise the powers conferred thereby to repurchase shares of the Company in circumstances which they deem appropriate for the benefit of the Company. The explanatory statement containing the information relating to the repurchase of shares, as required by the Listing Rules, is set out in Appendix II of the circular accompanying this Notice.
11. If there is a "black" rainstorm warning or a tropical cyclone warning signal number 8 or above in force at or after 1:00 p.m. on 28 July 2017 and/or the Hong Kong Observatory has announced at or before 1:00 p.m. on 28 July 2017 that either of the above mentioned warnings is to be issued within the next two hours, the Annual General Meeting shall automatically be postponed to the next Business Day on which no "black" rainstorm warning or tropical cyclone warning signal number 8 or above is hoisted between the hours from 1:00 p.m. to 3:00 p.m. and in such case the Annual General Meeting shall be held at 3:00 p.m. on that Business Day at the Conference Room on the 1st Floor, 3 Chun Kwong Street, Tseung Kwan O Industrial Estate, Tseung Kwan O, New Territories, Hong Kong. "Business Day", in this context, shall mean a day (not being Saturday, Sunday or public holiday) on which banks in Hong Kong generally are open for business.