
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 **Lam Soon (Hong Kong) Limited**, you should at once hand this circular and the enclosed form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

This circular includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information about certain resolutions to be proposed at the forthcoming Annual General Meeting of Lam Soon (Hong Kong) Limited. The directors of Lam Soon (Hong Kong) Limited 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.

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.



LAM SOON (HONG KONG) LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 411)

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

A letter from the board of the directors of Lam Soon (Hong Kong) Limited is set out on pages 3 to 6 of this circular. A notice convening the annual general meeting of Lam Soon (Hong Kong) Limited to be held at Unit 1, G/F, The Center, 99 Queen's Road Central, Hong Kong on Wednesday, 11 October 2006 at 11:30 a.m. is set out on pages 13 to 20 of this circular. Whether or not you intend to attend the meeting, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event no later than 48 hours before the time appointed for the holding of the meeting or any adjourned meeting as the case may be. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting should you so wish.

19 September 2006

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	
Introduction	3
Amendments to the Articles of Association	4
General Mandates to Issue and Repurchase Securities	4
Re-election of Directors	5
Annual General Meeting	5
Procedures for Demanding a Poll	6
Recommendation	6
APPENDIX I — EXPLANATORY NOTES TO REPURCHASE MANDATE	7
APPENDIX II — DETAILS OF DIRECTORS STANDING FOR RE-ELECTION	11
NOTICE OF ANNUAL GENERAL MEETING	13

DEFINITIONS

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

“Annual General Meeting” or “AGM”	the annual general meeting of the Company to be held at Unit 1, G/F, The Center, 99 Queen’s Road Central, Hong Kong on Wednesday, 11 October 2006 at 11:30 a.m.
“Articles of Association”	the existing articles of association of the Company
“Board”	the board of Directors
“Companies Ordinance”	the Companies Ordinance, Chapter 32 of the Laws of Hong Kong
“Company” or “Lam Soon”	Lam Soon (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 411)
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Leong Group Company”	Hong Leong Company (Malaysia) Berhad, a private company incorporated in Malaysia, and its subsidiaries
“Latest Practicable Date”	13 September 2006, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong

DEFINITIONS

“Share(s)”	share(s) of par value HK\$1.00 each in the capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Year”	from 1 July 2005 to 30 June 2006
“%”	per cent.

LETTER FROM THE BOARD



LAM SOON (HONG KONG) LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 411)

Directors:

Whang Tar Choung, *Chairman*

Ng Ping Kin, Peter, M.Sc., J.P., *Vice Chairman**

Leung Wai Fung, *Group Managing Director*

Whang Sun Tze, Ph. D.

Lo Kwong Chi, *Clement**

Kwek Leng Hai

Tan Lim Heng

James Eng, Jr.

Tsang Cho Tai

Ho King Cheung

Ding Wai Chuen*

Matsumura Hirokazu*

Yong Weng Chye

— *alternate director to Whang Tar Choung*

Ikeda Hiromi

— *alternate director to Matsumura Hirokazu*

Registered Office:

21 Dai Fu Street

Tai Po Industrial Estate

Tai Po

New Territories

Hong Kong

** Independent Non-Executive Director*

19 September 2006

To the Shareholders of Lam Soon (Hong Kong) Limited

Dear Sir or Madam,

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

INTRODUCTION

The purpose of this circular is to provide you with information in respect of resolutions to be proposed at the Annual General Meeting for, inter alia, (i) certain amendments to the Articles of Association; (ii) the granting of general mandates to the Directors to issue and repurchase Shares and the extension of the general mandate to issue Shares by the amount of Shares repurchased by the Company pursuant to the general mandate to repurchase Shares; and (iii) the re-election of Directors and other relevant information regarding the Annual General Meeting.

LETTER FROM THE BOARD

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

In view of (i) the changes to the Listing Rules which took effect on 1 March 2006, and (ii) the various amendments to the Companies Ordinance which came into effect on 13 February 2004, the Directors propose to amend the Articles of Association of the Company to reflect the aforesaid changes.

Details of the proposed amendments to the Articles of Association of the Company are set out in special resolution no. 5 in the Notice of Annual General Meeting on pages 13 to 20 of this circular.

GENERAL MANDATES TO ISSUE AND REPURCHASE SECURITIES

At the Annual General Meeting of the Company held on 14 September 2005, ordinary resolutions were passed granting general mandates to the Directors, inter alia, (i) to repurchase Shares not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at 14 September 2005 and (ii) to allot, issue and deal with Shares not exceeding the aggregate of 20% of the aggregate nominal amount of the issued share capital of the Company as at 14 September 2005 and those Shares not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at 14 September 2005 repurchased by the Company (collectively referred to as “Existing General Mandates”). A copy of such resolutions had been delivered to the Stock Exchange in accordance with the Listing Rules. The Company had previously sent to the Shareholders an explanatory statement regarding the Existing General Mandates in compliance with the Listing Rules.

In accordance with the provisions of the Listing Rules and the terms of the Existing General Mandates, the Existing General Mandates shall lapse at the earliest of: (i) the conclusion of the next annual general meeting of the Company; (ii) the date by which the next annual general meeting of the Company is required by its Memorandum & Articles of Association of the Company or any applicable law to be held; and (iii) the date upon which the authority are revoked or varied by an ordinary resolution of the Shareholders in general meeting.

The Existing General Mandates will lapse at the conclusion of the Annual General Meeting. Accordingly, new general mandates to issue Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of the resolution and to repurchase Shares not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of the resolution; and extension of the general mandate to issue Shares by the amount of Shares repurchased by the Company pursuant to the general mandate to repurchase Shares, respectively, as set out in ordinary resolution nos. 6A, 6B and 6C of the notice of Annual General Meeting on pages 13 to 20 of this circular, are now proposed to be granted. With reference to the proposed new general mandates, the Directors wish to state that, as at the date hereof, they have no immediate plans to repurchase any existing Shares or to issue any new securities pursuant to the relevant mandates.

LETTER FROM THE BOARD

An explanatory statement required by the Listing Rules to be sent to the Shareholders in connection with the proposed general mandate to repurchase securities is set out in Appendix I to this circular. The explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolution at the Annual General Meeting.

RE-ELECTION OF DIRECTORS

Pursuant to the article 78 of the Articles of Association, Messrs. Whang Tar Choung, Ng Ping Kin, Peter, Whang Sun Tze and Lo Kwong Chi, Clement shall retire at the forthcoming Annual General Meeting. Messrs. Whang Sun Tze and Lo Kwong Chi, Clement being eligible, offer themselves for re-election and Messrs. Whang Tar Choung and Ng Ping Kin, Peter will not offer themselves for re-election at the forthcoming Annual General Meeting.

Pursuant to the article 79 of the Articles of Association, Mr. Matsumura Hirokazu shall retire and being eligible, offers himself for re-election at the forthcoming Annual General Meeting.

Details of the retiring Directors standing for re-election required to be disclosed under the Listing Rules are set out in Appendix II to this circular.

ANNUAL GENERAL MEETING

A notice convening the Annual General Meeting is set out on pages 13 to 20 of this circular. There is no Shareholder that is materially interested in the proposed resolutions regarding the amendments to the Articles of Association and general mandates to issue and repurchase Shares and therefore none of the Shareholders shall abstain from voting in respect of such resolutions.

A form of proxy for use at the Annual General Meeting is enclosed. Shareholders are requested to complete the form of proxy and return it to the registered office of the Company at 3rd Floor, Lam Soon Building, 21 Dai Fu Street, Tai Po Industrial Estate, Tai Po, New Territories, Hong Kong in accordance with the instructions printed thereon and in any event, not less than 48 hours before the time fixed for holding the meeting, whether or not they intend to be present at the meeting. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting should you so wish.

LETTER FROM THE BOARD

PROCEDURES FOR DEMANDING A POLL

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

- (i) by the Chairman of the meeting; or
- (ii) by at least five members present in person or by a duly authorised corporate representative or by proxy for the time being entitled to vote at the meeting; or
- (iii) by any member or members present in person or by a duly authorised corporate representative or by proxy and representing not less than one-tenth of total voting rights of all the members having the right to vote at the meeting; or
- (iv) by a member or members present in person or by a duly authorised corporate representative or by proxy and holding Shares conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

RECOMMENDATION

The Directors believe that the amendments to the Articles of Association, the granting of the general mandates to repurchase Shares and issue Shares and extension of the general mandate to issue Shares by the amount of Shares repurchased by the Company pursuant to the general mandate to repurchase Shares and re-election of the retiring Directors are in the best interests of the Company and Shareholders as a whole and accordingly recommend the Shareholders to vote in favour of the relevant resolutions set out in the notice of the Annual General Meeting on pages 13 to 20 of this circular.

Your attention is drawn to the information set out in Appendices I and II to this circular.

Yours faithfully,
For and on behalf of the Board
Wang Tar Choung
Chairman

GENERAL MANDATE TO REPURCHASE SHARES

At the Annual General Meeting, an ordinary resolution will be proposed that the Directors be given a general and unconditional mandate (the “Repurchase Mandate”) to exercise all the powers of the Company to repurchase on the Stock Exchange the issued and fully paid Shares in the capital of the Company. Under such mandate, the number of Shares that the Company may repurchase shall not exceed 10% of the share capital of the Company in issue on the date of passing the resolution.

Shareholders should note that the Repurchase Mandate covers purchases made only during the period ending on the earliest of the date of the next annual general meeting of the Company, the date by which the next annual general meeting of the Company is required to be held by its Articles of Association or any applicable laws and the date upon which such authority is revoked or varied.

As at the Latest Practicable Date, 243,354,165 Shares were in issue and fully paid. Assuming that there are no changes (from the Latest Practicable Date to the date of the Annual General Meeting) in the Company’s issued and fully paid share capital, the maximum number of Shares that may be repurchased by the Company pursuant to the Repurchase Mandate will be 24,335,416.

DIRECTORS AND CONNECTED PERSONS

None of the Directors nor, to the best of the knowledge and belief of the Directors having made all reasonable enquiries, any of their associates has a present intention, in the event that the Repurchase Mandate is approved by the Shareholders, to sell Shares to the Company on the Stock Exchange.

No persons who are connected persons (who are the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or their associates (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 sell any of the Shares held by them to the Company, in the event that the Company is authorised to make purchases of Shares, on the Stock Exchange.

DIRECTORS’ UNDERTAKING

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases pursuant to the Repurchase Mandate in accordance with the Listing Rules and all applicable laws of Hong Kong and in accordance with the regulations set out in the Company’s Memorandum and Articles of Association.

EFFECT OF THE HONG KONG CODE ON TAKEOVERS AND MERGERS

If on the exercise of the power of repurchase Shares pursuant to the Repurchase Mandate, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights and may give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Mr. Whang Tar Choung and his family members and their respective associates (together "TC Whang Family") in aggregate beneficially held 37,905,988 Shares representing approximately 15.58% of the issued share capital of the Company, Guoinvest International Limited ("Guoinvest") and GuoLine International Limited ("GuoLine"), wholly-owned subsidiaries of Hong Leong Company (Malaysia) Berhad, beneficially held in total of 140,008,659 Shares, representing approximately 57.53% of the issued share capital of the Company. Under rule 26 of the Takeovers Code, TC Whang Family, Guoinvest and GuoLine are parties acting in concert pursuant to the shareholders' agreement and the supplemental agreement both dated 27 May 1997 and the Novation Agreement dated 5 September 2003. The combined shareholdings of TC Whang Family, Guoinvest and GuoLine and parties acting in concert with them (the "Concert Group") amounted to 177,914,647 Shares representing 73.11% of the issued share capital of the Company as at Latest Practicable Date.

On the basis of the above figures, exercise in full of the general repurchase mandate would result in aggregate shareholding of the Concert Group in the Company being increased to approximately 81.23%. The Directors are not aware of any general offer obligation which will arise under Rule 26 of the Takeovers Code as a result of any purchases made under the Repurchase Mandate.

PUBLIC FLOAT

The Directors do not have a present intention to exercise the Repurchase Mandate to such extent, causing the public float of the securities of the Company to fall below 25%.

LISTING RULES FOR REPURCHASE OF SHARES**Shareholders' Approval**

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

Reasons for Repurchase

The Directors consider that the Repurchase Mandate will provide the Company with the flexibility to make such repurchases when appropriate and beneficial to the Company and its shareholders. Such purchases may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share.

Source of Funds

Repurchase must be made from internal resources, borrowings and/or other funds legally available for such purpose in accordance with the Company's Articles of Association and the laws of Hong Kong.

Material Adverse Impact

On the basis of the consolidated financial position of the Company as at 30 June 2006 (being the date to which the latest published audited financial statements of the Company have been made up) and in particular the working capital position and gearing ratio of the Company and the number of Shares in issue, the Directors consider that there will not be a material impact on the working capital or the gearing position of the Company in the event that the proposed purchases were to be carried out in full at any time during the proposed repurchase period. No purchase would be made in circumstances that would have a material adverse impact on the working capital or gearing ratio of the Company (as compared with the position disclosed in the latest published audited financial statements for the eighteen months ended 30 June 2005) unless the Directors consider that such purchases were in the best interests of the Company.

SHARE REPURCHASE MADE BY THE COMPANY

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

GENERAL

During each of the twelve months preceding the Latest Practicable Date, the highest and lowest traded prices for Shares on the Stock Exchange were as follows:

	Price per Share	
	Highest (HK\$)	Lowest (HK\$)
2005		
September	2.750	2.550
October	2.900	2.600
November	2.850	2.600
December	2.800	2.650
2006		
January	2.750	2.600
February	3.050	2.650
March	5.850	3.000
April	5.300	4.300
May	4.650	3.900
June	4.700	4.025
July	4.550	3.500
August	5.400	4.300

As required by the Listing Rules, the following are the particulars of the directors who will retire and be eligible for re-election at the Annual General Meeting:

1. **Whang Sun Tze**, aged 62, has been a non-executive Director since appointment to the Board in 1984. Dr. Whang holds a Doctorate degree in Chemical Engineering. He is the son of Mr. Whang Tar Choung. Apart from the foregoing, he does not have any relationship with any other Directors or senior management or substantial or controlling shareholders of the Company. Dr. Whang has over 20 years experience in the food industry.

As at the Latest Practicable Date, Dr. Whang was interested in 177,933,104 Shares within the meaning of Part XV of the SFO. There is no service contract between Dr. Whang Sun Tze and the Company. Dr. Whang is not appointed for a specific term but is subject to retirement by rotation and re-election at the annual general meetings pursuant to the Company's Articles of Association. For the year, he is entitled to a Director's fee of HK\$100,000 subject to Shareholders' approval at the AGM. The Director's fee will be reviewed by the Board from time to time based on the market rate. Save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders nor information to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

2. **Lo Kwong Chi, Clement**, aged 61, has been an independent non-executive Director since 1993 and a non-executive Director of the Company since appointment to the Board in 1975. Mr. Lo is a solicitor by profession. He does not have any relationship with any Directors or senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Lo was interested in 373,754 Shares within the meaning of Part XV of the SFO. There is no service contract between Mr. Lo and the Company. Mr. Lo is not appointed for a specific term but is subject to retirement by rotation and re-election at the annual general meetings pursuant to the Company's Articles of Association. For the year, he is entitled to a Director's fee of HK\$140,000 subject to Shareholders' approval at the AGM. The Director's fee will be reviewed by the Board from time to time based on the market rate. Save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders nor information to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

3. **Mr. Matsumura Hirokazu**, aged 50, has been an independent non-executive Director since 12 May 2006. Mr. Matsumura holds a Bachelor Degree in Law from Hitotsubashi University and has over 20 years experience in the food and retail industry in the Asia Pacific region. Mr. Matsumura did not hold any directorship in other public listed companies in the last three years. He does not have any relationship with any Directors or senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Matsumura was not interested in Shares within the meaning of Part XV of the SFO. There is no service contract between Mr. Matsumura and the Company. Mr. Matsumura is not appointed for a specific term but is subject to retirement by rotation and re-election at the annual general meetings pursuant to the Company's Articles of Association. For the year, he is entitled to a pro rata Director's fee based on an annual rate of HK\$100,000 subject to Shareholders' approval at the AGM. The Director's fee will be reviewed by the Board from time to time based on the market rate. Save as disclosed above, there are no other matters that need to be brought to the attention of the Shareholders nor information to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING



LAM SOON (HONG KONG) LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 411)

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of Lam Soon (Hong Kong) Limited (the “Company”) will be held at Unit 1, G/F, The Center, 99 Queen’s Road Central, Hong Kong on Wednesday, 11 October 2006 at 11:30 a.m. for the following purposes:

As ordinary business, to consider and, if thought fit, pass with or without amendments, the following ordinary resolutions:

1. To receive and consider the audited Statements of Accounts together with the Reports of the Directors and Auditors thereon for the year ended 30 June 2006.
2. To declare a final dividend.
3. To fix the remuneration of the Directors and re-elect the retiring Directors.
4. To re-appoint Auditors and to authorise the Board of Directors to fix their remuneration.

As special business, to consider and, if thought fit, pass with or without amendments, the following resolutions:

Special Resolution

5. **“THAT** the existing Articles of Association of the Company be and are hereby amended as follows:
 - (a) by deleting the existing definition of “The Ordinances” and adding the following new definition in the existing Article 1:

“The Ordinance”	means the Companies Ordinance (Chapter 32 of the laws of Hong Kong) or any statutory modification or re-enactment for the time being in force;
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NOTICE OF ANNUAL GENERAL MEETING

- (b) by adding the following words immediately thereafter the word “determine” in the fifth line of the existing Article 5:

“provided that where the Company issues shares which do not carry voting rights, the words “non-voting” shall appear in the designation of such shares and where the equity capital includes shares with different voting rights, the designation of each class of shares, other than the most favourable voting rights, must include the words “restricted voting” or “limited voting””;

- (c) by adding the following paragraph as Article 6A immediately thereafter the existing Article 6:

“6A. Where the Company purchases for redemption a redeemable share, purchases not made through the market or by tender shall be limited to a maximum price. If purchases are by tender, tenders shall be available to all Members alike.”;

- (d) by deleting the word “annual” in the fourth line of the existing Article 28 and substituting therefor the word “annul”;

- (e) by deleting the words “an Extraordinary” in the fourth line of the existing Article 41 and substituting therefor the words “a Special”;

- (f) by substituting the full stop with “; or” at the end of sub-paragraph (iv) in the existing Article 57 and adding immediately thereafter the following sub-paragraph:

“(v) by the Chairman of the Meeting and/or the Directors who, individually or collectively, hold proxies in respect of shares representing five per cent. or more of the total voting rights of all Members having a right to vote at the meeting pursuant to the Listing Rules.”;

- (g) by adding the words “or unless a poll otherwise required under the Listing Rules,” immediately thereafter the word “withdrawn,” in first line of the last paragraph of the existing Article 57;

- (h) by adding the words “or required by the Listing Rules or any other applicable laws,” immediately thereafter the word “aforesaid,” in the first line of the existing Article 58;

- (i) by deleting the word “demanded” in the second line of the existing Article 60 and substituting therefor the word “demand”;

- (j) by deleting the word “shareholder” in first and third lines of the existing Article 61A and substituting therefor the word “Member”;

NOTICE OF ANNUAL GENERAL MEETING

- (k) by adding the following sentence immediately thereafter the end of the existing Article 64:

“Every instrument of proxy, whether for a specified meeting or otherwise, shall be in such form as the Board may from time to time approve, provided that the use of the two-way form shall not be precluded.”;

- (l) by deleting the word “Auditor” in second line of the existing Article 74(A) and substituting therefor the word “Auditors”;
- (m) by deleting the word “Auditor” in second line of the existing Article 74(B) and substituting therefor the word “Auditors”;
- (n) by deleting the words “of the Company” on the first line of the existing Article 74(C);
- (o) by deleting the words “(as defined in paragraph (I) of this Article)” in tenth line of the existing Article 74(E) and substituting therefor the words “of the issued shares of any class of the equity share capital of such company or the voting rights of any class of shares of such company”;
- (p) by deleting the following sentence in the fourth line of the existing Article 76:

“A Director so appointed shall not, whilst holding that office, be subject to retirement by rotation or be taken into account in determining the rotation of retirement of Directors, but his appointment shall be automatically determined if he ceases from any cause to be a Director.”

and substituting thereof the following words:

“The appointment of a Director so appointed shall be automatically determined if he ceases from any cause to be a Director.”;

- (q) by adding the words “, but not less than” immediately after the words “the number nearest to” on the second line of the existing Article 78;
- (r) by deleting the word “is” in third line of the existing Article 80 and substituting therefor the word “in”;
- (s) by deleting the words “of the Company” in fifth line of the existing Article 83;
- (t) by deleting the word “special” and substituting therefor the word “ordinary” on the first line of the existing Article 85;

NOTICE OF ANNUAL GENERAL MEETING

- (u) by deleting the existing Article 91 in its entirety and substituting therefore the following paragraph as the new Article 91:

“91. A resolution in writing signed by a majority of the Directors (or their alternate Directors) for the time being entitled to receive notices of the Board Meetings shall be as valid and effectual as if it had been passed at a meeting of the Board duly convened and held. Any such resolutions in writing may consist of several documents in like form each signed by one or more of the Directors or alternate Directors.”;

- (v) by adding the word “and” immediately thereafter the word “allotted” in fifteenth line of second paragraph of the existing Article 105;

- (w) by deleting the word “determining” in first line of the existing Article 107;

- (x) by deleting the existing Article 112 in its entirety and substituting therefor the following paragraph as the new Article 112:

“112. A printed copy of the report of the Directors accompanied by the balance sheet (including every document required by law to be annexed thereto) and profit and loss account, or alternatively summary financial statements (provided that prior consent has been obtained from the Member) in such form and such manner and to the extent permitted by all applicable laws, rules and regulations, including, without limitation, the Listing Rules and the Ordinance shall, at least 21 days before the date of the General Meeting at which such documents are to be laid before the Company as aforesaid, be served personally or sent by post to the registered address of every Member and every other person entitled to receive notices of general meetings of the Company or, by electronic means to the email address supplied for the purpose by such person under the provisions of the Ordinance or these Articles, provided that this Article shall not require a copy of those documents to be sent to any person of whose address the Company is not aware or to more than one of the joint holders of any Shares, but any person to whom a copy of those documents has not been sent shall be entitled to receive a copy free of charge on application at the Registered Office of the Company. If all or any of the Shares of the Company shall for the time being be (with the consent of the Company) listed or dealt in on any stock exchange, there shall be forwarded to the appropriate officer of such stock exchange such number of copies of such documents as may for the time being be required under its regulations or practice.”;

NOTICE OF ANNUAL GENERAL MEETING

- (y) by adding the following paragraph as Article 112A immediately after the existing Article 112:

“112A. For the purposes of Article 112, where a Member, in accordance with all applicable laws, rules and regulations, has consented to treat the publication of those documents to be sent to the Members in Article 112 above on the Company’s computer network or in any other permitted manner as discharging the Company’s obligations under Article 112 above to send to him a copy of those documents, then subject to compliance with the publication and notification requirements of all applicable laws, rules and regulations, publication by the Company on the Company’s website of those documents at least 21 days before the date of the General Meeting shall, in relation to each such Member, be deemed to discharge the Company’s obligations under Article 112 above.”;

- (z) by deleting the word “Arbitrations” in the sixth line of the existing Article 117 and substituting therefor the word “Arbitrators”; and
- (aa) by deleting the words “Ordinances” and “Companies Ordinance”, wherever the same may appear in the Articles of Association of the Company, and substituting therefor the word “Ordinance”.”

Ordinary Resolutions

6. A. “THAT:

- (a) subject to paragraph (b), the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to repurchase shares in the capital of the Company on The Stock Exchange of Hong Kong Limited, subject to and in accordance with all applicable laws of the Hong Kong Special Administrative Region and the Memorandum and Articles of Association of the Company, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company to be purchased by the Director of the Company pursuant to the approval in paragraph (a) shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution and the said approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

- (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 the Memorandum and Articles of Association of the Company or any applicable law to be held; and
- (iii) the date upon which the authority set out in this resolution is revoked or varied by way of ordinary resolution in general meeting.”

B. “THAT:

- (a) subject to paragraph (b), the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to allot and issue additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers either during or after the Relevant Period be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the shares capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph (a), otherwise than pursuant to:
 - (i) a Rights Issue;
 - (ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or securities which are convertible into shares of the Company;
 - (iii) the exercise of any option under the Company’s share option schemes; or
 - (iv) any scrip dividend or similar arrangements providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Memorandum and Articles of Association of the Company,

shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution and this approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

(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 the Memorandum and Articles of Association of the Company or any applicable laws to be held; and
- (iii) the date upon which the authority set out in this resolution is revoked or varied by way of ordinary resolution in general meeting.

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

C. “THAT:

conditional upon the passing of the resolutions nos. 6A and 6B of the notice convening this meeting, the general mandate granted to the Directors of the Company to exercise the powers of the Company to allot shares pursuant to resolution no. 6B be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to resolution no. 6A, provided that such amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this Resolution.”

By Order of the Board
Cheng Man Ying
Company Secretary

Hong Kong, 19 September 2006

NOTICE OF ANNUAL GENERAL MEETING

Notes:

- (1) A shareholder entitled to attend and vote at the meeting convened by this notice is entitled to appoint one or more proxies to attend and vote on his behalf. A proxy does not need to be a shareholder of the Company.
- (2) In order to be valid, the instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a copy of such authority notarially certified, must be deposited at the registered office of the Company at 3rd Floor, Lam Soon Building, 21 Dai Fu Street, Tai Po Industrial Estate, Tai Po, New Territories, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or adjourned meeting, as the case may be. Completed and return the form of proxy will not preclude a shareholder from attending and voting at the meeting if the shareholder so desires.
- (3) With respect to resolution no. 5, approval is being sought from shareholders for amendments to the existing Articles of Association of the Company.
- (4) With respect to resolution no. 6A, approval is being sought from shareholders for a general mandate to repurchase shares to be given to the Directors.
- (5) With respect to resolution no. 6B, approval is being sought from shareholders for a general mandate to issue shares to be given to the Directors.
- (6) With respect to resolution no. 6C, approval is being sought from shareholders for an extension of the general mandate granted to the Directors to allot and issue shares by adding to it the number of shares purchased under the authority granted pursuant to resolution no. 6A.
- (7) In accordance with Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Hong Kong Code on Share repurchases, an explanatory statement containing further details regarding resolution no. 6A is set out in Appendix I to the circular to shareholders of the Company dated 19 September 2006.
- (8) The register of members of the Company will be closed from 5 October 2006 to 11 October 2006, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the final dividend, all share transfers accompanied by the requisite share certificates must be lodged with the Company's Registrar, Hongkong Managers and Secretaries Limited, 26th Floor, Citicorp Centre, 18 Whitfield Road, Causeway Bay, Hong Kong, for registration not later than 4:00 p.m. on 4 October 2006.



LAM SOON (HONG KONG) LIMITED

(Incorporated in Hong Kong with limited liability)
(Stock Code: 411)

FORM OF PROXY FOR THE ANNUAL GENERAL MEETING TO BE HELD ON WEDNESDAY, 11 OCTOBER 2006

I/We, ^(Note 1) _____

of _____

being the registered holder(s) of ^(Note 2) _____

shares of HK\$1.00 each in the capital of **LAM SOON (HONG KONG) LIMITED** (the “Company”) **HEREBY APPOINT** ^(Note 3)

THE CHAIRMAN OF THE MEETING or _____

of _____

as my/our proxy to attend and act for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at Unit 1, G/F, The Center, 99 Queen’s Road Central, Hong Kong on Wednesday, 11 October 2006 at 11:30 a.m. and at any adjournment thereof for the purpose of considering and, if thought fit, passing the Resolutions as set out in the notice convening the Meeting and at the Meeting and at any adjourned meeting thereof to vote for me/us and in my/our name(s) in respect of the Resolutions as hereunder indicated and, if no such indication is given, as my/our voting proxy thinks fit.

Resolutions		For ^(Note 4)	Against ^(Note 4)
1.	To receive and consider the audited Statements of Accounts together with the Reports of the Directors and Auditors thereon for the year ended 30 June 2006.		
2.	To declare a final dividend.		
3.	(i) To approve Directors’ fees for the year ended 30 June 2006.		
	(ii) To approve the payment to Mr. Whang Tar Choung.		
	(iii) (A) To re-elect Dr. Whang Sun Tze as a Director.		
	(B) To re-elect Mr. Lo Kwong Chi, Clement as a Director.		
	(C) To re-elect Mr. Matsumura Hirokazu as a Director.		
4.	To re-appoint Auditors and to authorise the Board of Directors to fix their remuneration.		
5.	To approve the amendments to the Articles of Association of the Company.		
6A.	To grant a general mandate to the Directors to repurchase shares of the Company.		
6B.	To grant a general mandate to the Directors to allot and issue shares of the Company.		
6C.	To extend the general mandate granted to the Directors to allot and issue shares by adding to it the number of shares repurchased under the general mandate granted pursuant to resolution no. 6A.		

Dated this _____ day of _____, 2006

Signature(s) ^(Note 5) _____

Notes:

- Please insert your full name(s) and address(es) in **BLOCK CAPITALS**.
- Please insert the number of shares registered in your name(s) to which this proxy relates. If no number is inserted, this form of proxy will be deemed to relate to all the shares in the capital of the Company registered in your name(s).
- If any proxy other than the Chairman of the Meeting is preferred, delete the words “**THE CHAIRMAN OF THE MEETING** or” and insert the name and address of the proxy desired in the space provided. A shareholder may appoint one or more proxies to attend and vote in his stead. The proxy does not need to be a member of the Company but must attend the Meeting in person to represent you. **ANY ALTERATION MADE TO THIS FORM OF PROXY MUST BE DULY INITIALLED BY THE PERSON WHO SIGNS IT.**
- IMPORTANT: IF YOU WISH TO VOTE FOR THE RELEVANT RESOLUTION, PLEASE TICK IN THE BOX BELOW THE BOX MARKED “FOR”. IF YOU WISH TO VOTE AGAINST THE RELEVANT RESOLUTION, PLEASE TICK IN THE BOX BELOW THE BOX MARKED “AGAINST”.** If you do not indicate how you wish your proxy to vote, your proxy will be entitled to cast your vote at his discretion or abstain. Your proxy will also be entitled to vote or abstain at his discretion on any resolutions properly put to the Meeting other than those referred to in the notice convening the Meeting.
- This form of proxy must be signed by you or your attorney duly authorised in writing or, in the case of a corporation, must be executed either under its common seal or under the hand of an officer, attorney or other person duly authorised to sign the same.
- Where there are joint registered holders of any share, any one of such persons may vote at the Meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at the Meeting personally or by proxy, then one of the said holders so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
- To be valid, this form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a copy of such authority notarially certified, must be deposited at the registered office of the Company at 3rd Floor, Lam Soon Building, 21 Dai Fu Street, Tai Po Industrial Estate, Tai Po, New Territories, Hong Kong not less than 48 hours before the time appointed for the holding of the Meeting or adjourned meeting, as the case may be.
- Completion and return of this form of proxy will not preclude you from attending and voting at the Meeting if you so wish. In the event that you attend the Meeting after having lodged this form of proxy as indicated above, this form of proxy will be deemed to have been revoked.