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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 or transfer was effected for transmission to the purchaser or transferee.

This circular, for which the directors of Lam Soon (Hong Kong) Limited collectively and individually accept full responsibility, 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 with regard to Lam Soon (Hong Kong) Limited. The directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

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LAM SOON (HONG KONG) LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 411)

PROPOSALS FOR GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES RE-ELECTION OF DIRECTORS GRANT OF SHARE OPTIONS TO THE GROUP MANAGING DIRECTOR AND NOTICE OF ANNUAL GENERAL MEETING

A letter from the board of directors of Lam Soon (Hong Kong) Limited is set out on pages 3 to 8 of this circular. A notice convening the annual general meeting of Lam Soon (Hong Kong) Limited to be held at 3rd Floor, Lam Soon Building, 21 Dai Fu Street, Tai Po Industrial Estate, Tai Po, New Territories, Hong Kong on Tuesday, 16 November 2010 at 10:30 a.m. is set out on pages 16 to 20 of this circular. Whether or not you are able to attend the annual general 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.

15 October 2010

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	
Introduction	3
General Mandates to Issue and Repurchase Shares	4
Re-election of Directors	5
The Proposed Grant of Options	5
Annual General Meeting	7
Voting by Way of Poll	7
Recommendation	8
APPENDIX I — EXPLANATORY NOTES TO REPURCHASE MANDATE ...	9
APPENDIX II — DETAILS OF DIRECTORS STANDING FOR RE-ELECTION	13
NOTICE OF ANNUAL GENERAL MEETING	16

DEFINITIONS

In this circular, 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 3rd Floor, Lam Soon Building, 21 Dai Fu Street, Tai Po Industrial Estate, Tai Po, New Territories, Hong Kong on Tuesday, 16 November 2010 at 10:30 a.m.
“Articles of Association”	the existing articles of association of the Company
“Board”	the board of Directors
“Companies Ordinance”	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 PRC
“Hong Leong Group Company”	Hong Leong Company (Malaysia) Berhad, a private company incorporated in Malaysia, and its subsidiaries
“Latest Practicable Date”	8 October 2010, 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
“Memorandum”	the existing memorandum of association of the Company

DEFINITIONS

“Options”	the right to acquire the shares granted or to be granted pursuant to the Share Option Scheme
“PRC”	the People’s Republic of China
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	share(s) of par value HK\$1.00 each in the capital of the Company
“Share Option Scheme”	the share option scheme approved and adopted by the Shareholders on 23 May 2003 and amended on 18 April 2006
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers
“Year”	from 1 July 2009 to 30 June 2010
“%”	per cent.

LETTER FROM THE BOARD



LAM SOON (HONG KONG) LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 411)

Directors:

Kwek Leng Hai, *Chairman*

Leung Wai Fung, *Group Managing Director*

Whang Sun Tze, *Ph.D.*

Lo Kwong Chi, *Clement**

Tan Lim Heng

Tsang Cho Tai

Ding Wai Chuen

Lo Kai Yiu, *Anthony**

Au Chee Ming*

Registered Office:

21 Dai Fu Street

Tai Po Industrial Estate

Tai Po

New Territories

Hong Kong

* *Independent Non-Executive Director*

15 October 2010

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
RE-ELECTION OF DIRECTORS
GRANT OF SHARE OPTIONS TO THE GROUP MANAGING DIRECTOR
AND
NOTICE OF ANNUAL GENERAL MEETING**

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) granting of general mandates to the Directors to issue and repurchase Shares and the extension of the

LETTER FROM THE BOARD

general mandate to issue Shares by the amount of Shares repurchased by the Company pursuant to the general mandate to repurchase Shares; (ii) re-election of Directors; and (iii) proposed grant of Options to Mr. Leung Wai Fung, the Group Managing Director.

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

At the annual general meeting of the Company held on 18 November 2009, general mandates were given 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 18 November 2009; 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 18 November 2009 and those Shares not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at 18 November 2009 repurchased by the Company (collectively referred to as “Existing General Mandates”).

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 the Articles of Association 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.

Ordinary resolutions relating to the new general mandates (i) 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; (ii) 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 (iii) of 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 will be proposed to be at the Annual General Meeting.

As at the Latest Practicable Date, the issued share capital of the Company comprised 243,354,165 Shares. Assuming there is no change in the issued share capital during the period from the Latest Practicable Date to the date of AGM, the maximum number of Shares which may be issued pursuant to the new general mandate will not exceed 48,670,833 Shares (being 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of the resolution), not taking into account any additional new Shares which may be issued pursuant to the mandate extended to issue

LETTER FROM THE BOARD

Shares by the amount of Shares repurchased by the Company pursuant to the general mandate to repurchase Shares. With reference to the proposed ordinary resolutions relating to 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 Shares pursuant to the relevant mandates.

An explanatory statement required by the Listing Rules to be sent to the Shareholders in connection with the proposed general mandate to repurchase Shares 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 Article 78 of the Articles of Association, Messrs. Kwek Leng Hai, Leung Wai Fung and Ding Wai Chuen shall retire and, being eligible, offer themselves for re-election at the Annual General Meeting.

Details of the retiring Directors standing for re-election are set out in Appendix II to this circular.

THE PROPOSED GRANT OF OPTIONS

The Share Option Scheme was approved and adopted by the Shareholders on 23 May 2003 and amended on 18 April 2006.

On 26 August 2010 (“Date of Grant”), the Board had granted Options in respect of a total of 19 million ordinary shares of HK\$1.00 each in the share capital of the Company to certain eligible employees (“Employees”) and Mr. Leung Wai Fung, the Group Managing Director, pursuant to the Share Option Scheme.

Pursuant to the Listing Rules, the total number of shares acquired and to be acquired by an individual upon exercise of the options granted to that individual in any 12-month period should not exceed 1% of the relevant class of securities in issue. While the grant of Options in respect of 2,430,000 Shares to Mr. Leung Wai Fung is within this limit, the Options in respect of the remaining 3,170,000 Shares (“Proposed Options”) to Mr. Leung Wai Fung were granted conditional on the approval of Shareholders in general meeting as required under the Listing Rules and terms of the Share Option Scheme. Mr. Leung Wai Fung and his associates will be required to abstain from voting at the AGM in respect of the proposed resolution relating to the Proposed Options.

LETTER FROM THE BOARD

No Options have been granted by the Company in respect of the Shares of the Company to Mr. Leung Wai Fung during the 12-month period preceding the Date of Grant.

Terms and details of the Options granted are as follows:

Date of grant	Grantee	No. of Shares in respect of which the Options were granted	Exercise price per Share under the Options	<i>Notes</i>
26 August 2010	Employees	13,400,000	HK\$6.86	1 & 2
26 August 2010	Leung Wai Fung	<u>5,600,000</u>	HK\$6.86	1, 2 & 3
		<u><u>19,000,000</u></u>		

Notes:

1. The exercise price for each Share under the Options has been fixed at HK\$6.86 and has been determined in accordance with the rules of the Share Option Scheme, being the average of the closing prices of Shares of the five business days immediately preceding the Date of Grant.
2. Validity Period of the Options

The vesting of the Options is subject to fulfillment of certain prescribed performance targets and contribution criteria being met by the grantees of the Options during the performance periods for the financial years 2010/2011 to 2013/2014. At the end of the relevant performance period, the Board Remuneration Committee of the Company shall determine at its discretion, the extent of achievement of the performance targets and contribution criteria set out for that period, and decide on the vesting of the Options and the number of Shares comprised in the vested Options. Thereafter, the grantees of the Options shall be notified of the vesting of the Options and shall have an exercise period of up to 30 months following the date of such notification to exercise the vested Options in accordance with the terms of the Share Option Scheme.

3. The grant of Options for 3,170,000 Shares is subject to the approval of Shareholders of the Company at the Annual General Meeting.

Pursuant to Rule 17.04(1) of the Listing Rules, the grant of the Options for 5,600,000 Shares to Mr. Leung Wai Fung has been approved by all independent non-executive Directors of the Company.

LETTER FROM THE BOARD

ANNUAL GENERAL MEETING

A notice convening the Annual General Meeting is set out on pages 16 to 20 of this circular. As mentioned in the paragraph headed “The Proposed Grant of Options”, the grant of the Proposed Options will be approved by the Shareholders at the Annual General Meeting with Mr. Leung Wai Fung and his associate abstaining from voting in respect of the proposed resolution in relation to the approval of grant of the Proposed Options.

A form of proxy for use at the Annual General Meeting is enclosed. Whether or not you are able to attend the Annual General Meeting, 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 Annual General Meeting. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the Annual General Meeting (or any adjournment thereof) should they so wish.

VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all vote of Shareholders at general meetings must be taken by poll. The chairman of the Annual General Meeting will therefore put each of the resolutions proposed at the Annual General Meeting to be voted by way of a poll pursuant to the Articles of Association. The results of poll will be published on the websites of the Stock Exchange and of the Company after the conclusion of the Annual General Meeting in the manner prescribed under Rule 13.39(5) of the Listing Rules.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors believe that 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, the re-election of the retiring Directors and the proposed grant of Options to Mr. Leung Wai Fung, the Group Managing Director are all in the best interests of the Company and the Shareholders as a whole. Accordingly the Directors recommend the Shareholders to vote in favour of all the resolutions set out in the notice of the Annual General Meeting.

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

Yours faithfully,
By Order of the Board
Kwek Leng Hai
Chairman

GENERAL MANDATE TO REPURCHASE SHARES

At the Annual General Meeting, an ordinary resolution 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 will be proposed. Under the Repurchase 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 said resolution.

Shareholders should note that the Repurchase Mandate covers repurchases made only during the period ending on the earliest of (i) the date of the next annual general meeting of the Company; (ii) the date by which the next annual general meeting of the Company is required to be held by the Articles of Association or any applicable laws; or (iii) 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 any 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 any 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 repurchases 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 repurchases 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 Memorandum and Articles of Association.

EFFECT OF THE TAKEOVERS CODE

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, GuoLine International Limited ("GuoLine") was a wholly-owned subsidiary of GuoLine Capital Assets Limited ("GCA") which in turn was a wholly-owned subsidiaries of Hong Leong Company (Malaysia) Berhad, the ultimate holding company of the Company, beneficially held in total of 140,008,659 Shares, representing approximately 57.53% of the issued share capital of the Company.

In the event of the Directors exercise the powers to repurchase Shares in full pursuant to the Repurchase Mandate, the shareholding of GuoLine in the Company would be increased to approximately 63.93%. 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 repurchases 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 REQUIREMENTS 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 transactions.

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 repurchases 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

Repurchases must be made from internal resources, borrowings and/or other funds legally available for such purposes in accordance with the Memorandum and 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 2010 (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 repurchase 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 year ended 30 June 2009) unless the Directors consider that such repurchases 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\$)
2009		
October	4.73	3.82
November	4.83	4.25
December	4.44	4.10
2010		
January	5.77	4.42
February	6.41	5.50
March	6.82	6.28
April	6.90	6.62
May	6.80	5.96
June	6.72	6.45
July	6.88	6.70
August	6.88	6.60
September	6.87	6.60
October (up to the Latest Practicable Date)	7.30	6.78

APPENDIX II DETAILS OF DIRECTORS STANDING FOR RE-ELECTION

The following are the particulars of the Directors who will retire and be eligible for re-election at the Annual General Meeting:

1. **Kwek Leng Hai** (“Mr. Kwek”), aged 57, Chairman of the Company since October 2006 and has been a Non-Executive Director of the Company since appointment to the Board in 1997. Mr. Kwek is also the Chairman of Board Remuneration Committee of the Company.

Mr. Kwek is a director and shareholder of Hong Leong Company (Malaysia) Berhad (“HLCM”), the ultimate holding company of the Company. He is the President, CEO of Guoco Group Limited (“GGL”), a Hong Kong listed subsidiary of HLCM. He also holds directorships in key listed subsidiaries and associated companies of GGL including GuocoLand Limited and GuocoLeisure Limited, both listed on the Singapore Exchange Securities Trading Limited, and Hong Leong Bank Berhad listed on Bursa Malaysia. He is also a director of Bank of Chengdu Co., Ltd. Save as aforesaid, he did not hold any directorship in other listed public companies in the last three years prior to the Latest Practicable Date.

Mr. Kwek qualified as a chartered accountant of the Institute of Chartered Accountants in England and Wales. He is the brother-in-law of Dr. Whang Sun Tze, a Non-Executive Director of the Company. Save as aforesaid, he is not related to any other directors, senior management or substantial or controlling shareholder of the Company.

As at the Latest Practicable Date, Mr. Kwek was interested in 2,300,000 Shares within the meaning of Part XV of the SFO. There is no service contract between Mr. Kwek and the Company. Mr. Kwek 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\$220,000 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 concerning Mr. Kwek that need to be brought to the attention of the Shareholders and there is no other information to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules.

2. **Leung Wai Fung** (“Mr. Leung”), aged 54, Executive Director of the Company since July 2005. Mr. Leung has been designated as the Group Managing Director with effect from 1 September 2006.

Mr. Leung joined the Company in 1997 and had assumed the positions of Group Chief Financial Officer and Chief Operating Officer of the Group’s Distribution Segment in Hong Kong. He was appointed as Executive Director of the Board in June 2002. Mr. Leung left the Company and assumed a senior management position with a Hong Leong Group Company in March 2004 and rejoined the Company in July 2005. Save as aforesaid, he did not hold any directorship in other listed public companies in the last three years prior to the Latest Practicable Date.

Mr. Leung holds a Bachelor Degree in Business Administration from Simon Fraser University and an Executive Master’s Degree in Business Administration (EMBA) from Fudan University School of Management. He has over 20 years experience in the areas of business management, strategic planning and development as well as acquisitions and mergers.

He had worked in Hong Kong and overseas with multinationals, including The East Asiatic (EAC), British Petroleum (BP), Inchcape Pacific, Hiram Walker-Allied Vintners in the U.S.A. and Canada, and Hostess Frito-Lay (snack food division of Pepsi-Cola) in Canada. Before joining the Company in 1997, Mr. Leung was the General Manager of Guoco Investments (China) Limited.

Save as aforesaid, he is not related to any other directors, senior management or substantial or controlling shareholder of the Company.

As at the Latest Practicable Date, Mr. Leung was interested in 200,000 Shares and 5,600,000 underlying shares in respect of the share options under the share option scheme of the Company within the meaning of Part XV of the SFO. Mr. Leung has entered into a service agreement with the Company, this remuneration package is based on the terms of such service agreement with basic salary, housing allowance and a performance related discretionary bonus which will be reviewed and approved by the Board Remuneration Committee of the Company. For the Year, total amount of his remuneration package was HK\$4,019,000. The service agreement is not of a specific term but Mr. Leung is subject to retirement by rotation and re-election at the annual general meetings pursuant to the Company’s Articles of Association.

Save as disclosed above, there are no other matters concerning Mr. Leung that need to be brought to the attention of the Shareholders and there is no other information to be disclosed pursuant to the requirements of Rule 13.51(2) of the Listing Rules.

3. **Ding Wai Chuen** (“Mr. Ding”), aged 50, Non-Executive Director of the Company. Mr. Ding was appointed as an Independent Non-Executive Director of the Company in 2004 and re-designated as a Non-Executive Director since September 2009.

He also serves as an executive director of GGL. Save as aforesaid, he did not hold any directorship in other listed public companies in the last three years prior to the Latest Practicable Date.

Mr. Ding is an associate member of the Institute of Chartered Accountants in England and Wales and a fellow member of the Hong Kong Institute of Certified Public Accountants (“HKICPA”). Mr. Ding is currently a council member of the HKICPA.

Mr. Ding has over 25 years of experience as a professional accountant with international firms of accountants in England and in Hong Kong and with the HKICPA. In 2007, Mr. Ding was appointed by the Hong Kong SAR Government as a member of the Financial Reporting Review Panel of the Financial Reporting Council. Since 2002, Mr. Ding has been appointed by the PRC Ministry of Finance as a member of the Advisory Group of Foreign Experts for the development of PRC’s Independent Auditing Standards. Since the beginning of 2007, he has been involved, as an advisor to the HKICPA, in the joint projects between HKICPA and PRC Ministry of Finance for the comparison of Hong Kong and PRC accounting and auditing standards. Mr. Ding is a member of Railway Objections Hearing Panel.

Save as aforesaid, he is not related to any other directors, senior management or substantial or controlling shareholder of the Company.

As at the Latest Practicable Date, Mr. Ding was interested in 10,000 Shares within the meaning of Part XV of the SFO. There is no service contract between Mr. Ding and the Company. Mr. Ding 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\$190,833 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 concerning Mr. Ding that need to be brought to the attention of the Shareholders and there is no other information to be disclosed pursuant to the requirements of 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 3rd Floor, Lam Soon Building, 21 Dai Fu Street, Tai Po Industrial Estate, Tai Po, New Territories, Hong Kong on Tuesday, 16 November 2010 at 10:30 a.m., for the following purposes:

As Ordinary Business:

1. To lay before the meeting the audited Statements of Accounts together with the Reports of the Directors and Auditors thereon for the year ended 30 June 2010.
2. To declare a final dividend.
3. To fix the fees of the Directors for the year ended 30 June 2010 and to re-elect retiring Directors.
4. To appoint Auditors and to authorise the Board of Directors to fix their remuneration.

As Special Business:

5. To consider and, if thought fit, pass with or without amendments, the following as ordinary resolutions:

Ordinary Resolutions

A. “**THAT:**

- (a) subject to paragraph (b), the exercise by the Directors of the Company during the Relevant Period (as defined hereinafter) of all the powers of the Company to repurchase shares in the capital of the Company on The

NOTICE OF ANNUAL GENERAL MEETING

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 repurchased by the Company pursuant to the approval in paragraph (a) shall not exceed 10 per cent. 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
- (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 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 (c), the exercise by the Directors of the Company during the Relevant Period (as defined hereinafter) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company or securities convertible into such shares or warrants or similar rights to subscribe for any shares in 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 (as defined hereinafter) be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the approval in paragraph (a) of this resolution shall authorise the Directors of the Company during the Relevant Period (as defined hereinafter) to make or grant offers, agreements and options which would or might require the exercise of such power after the end of the Relevant Period (as defined hereinafter);
- (c) the aggregate nominal amount of the share 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) of this resolution, otherwise than pursuant to:
 - (i) a Rights Issue (as defined hereinafter);
 - (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 or subscription rights under the Company's share option schemes or similar arrangement for the time being adopted 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 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 Articles of Association of the Company,

shall not exceed 20 per cent. 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

- (d) 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;

NOTICE OF ANNUAL GENERAL MEETING

- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the 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 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 of members on a fixed record date in proportion to their then holdings of such shares (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).”

C. **“THAT:**

conditional upon the passing of the resolution nos. 5A and 5B set out in the notice convening this meeting, the aggregate nominal amount of the share capital of the Company that may be allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with by the Directors of the Company pursuant to resolution no. 5B set out in the notice convening this meeting be and is hereby increased and extended by the addition thereto of an amount representing the aggregate nominal amount of the share capital of the Company that may be repurchased by the Company under the authority granted pursuant to resolution no. 5A set out in the notice convening this meeting, provided that such amount shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this resolution.”

NOTICE OF ANNUAL GENERAL MEETING

6. To consider and, if thought fit, pass with or without amendments, the following as ordinary resolution:

Ordinary Resolution

“**THAT:**

the grant of options in respect of 3,170,000 ordinary shares of HK\$1.00 each in the share capital of the Company at an exercise price of HK\$6.86 per share to Mr. Leung Wai Fung, the Group Managing Director, subject to and in accordance with the terms of the share option scheme adopted by the Company on 23 May 2003 and amended on 18 April 2006 be and is hereby approved and **THAT** any Director and/or the Company Secretary of the Company be and is hereby authorised to do all such acts and execute all such documents as may be necessary or expedient to give full effect to such grant of options.”

By Order of the Board
Cheng Man Ying
Company Secretary

Hong Kong, 15 October 2010

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. Completion and return of the form of proxy will not preclude a shareholder from attending and voting at the meeting if the shareholder so wishes.
- (3) The register of members of the Company will be closed from 11 November 2010 to 16 November 2010, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the final dividend and for attending and voting at the Meeting convened by this notice, all share transfers accompanied by the relevant share certificates must be lodged with the Company's Registrar – Hongkong Managers and Secretaries Limited at Unit 3401-2, 34th Floor, AIA Tower, 183 Electric Road, North Point, Hong Kong for registration not later than 4:00 p.m. on 10 November 2010.