
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Ngai Hing Hong Company Limited (the "Company"), you should at once hand this circular with the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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NGAI HING HONG COMPANY LIMITED 毅興行有限公司*

(Incorporated in Bermuda with limited liability)
(Stock Code: 1047)

GRANT OF GENERAL MANDATES TO ISSUE NEW SHARES AND REPURCHASE SHARES, REFRESHMENT OF THE GENERAL SCHEME LIMIT, RE-ELECTION OF DIRECTORS, AMENDMENTS TO THE BYE-LAWS AND NOTICE OF ANNUAL GENERAL MEETING

Notice of the annual general meeting of the Company to be held at 10:00 a.m. on Wednesday, 26th November 2008 at Caine Room, Level 7, Conrad Hotel, Pacific Place, 88 Queensway, Hong Kong is set out on pages 15 to 19 of this circular. Whether or not you are able to attend the meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same as soon as possible and in any event no later than 48 hours before the time of the meeting or any adjournment thereof to the Company's branch share registrar in Hong Kong, Union Registrars Limited, Rooms 1901-02 Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting or any adjournment thereof should you so wish.

* For identification purpose only

DEFINITIONS

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

“AGM Notice”	the notice for convening the Annual General Meeting set out on pages 15 to 19 in this circular
“Annual General Meeting”	the annual general meeting of the Company convened to be held at 10:00 a.m. on Wednesday, 26th November 2008 at Caine Room, Level 7, Conrad Hotel, Pacific Place, 88 Queensway, Hong Kong
“Board”	the board of Directors
“Bye-Laws”	the bye-laws of the Company, as amended from time to time and “Bye-Law” shall mean a bye-law of the Bye-Laws
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited
“Company”	Ngai Hing Hong Company Limited, an exempted company incorporated in Bermuda with limited liability, the Shares of which are listed on the Stock Exchange
“Director(s)”	director(s) of the Company
“General Scheme Limit”	the total number of Shares which may be issued upon exercise of all options to be granted under the new share option scheme adopted on 5th December 2002 and any other share option scheme(s) of the Company in aggregate not exceeding 10% of the Shares in issue as at the day of passing of the relevant ordinary resolution
“Group”	the Company and its subsidiaries
“Issue Mandate”	a general mandate to the Directors to exercise the power of the Company to allot, issue or otherwise deal with Shares up to a maximum of 20% of the existing share capital of the Company in issue as at the date of passing the relevant resolution at the Annual General Meeting
“Latest Practicable Date”	22nd October 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Recognised Clearing House”	a recognised clearing house within the meaning of Part 1 of Schedule 1 to the SF Ordinance

DEFINITIONS

“Repurchase Mandate”	a general mandate to the Directors to enable them to repurchase Shares not exceeding 10% of the existing share capital in issue as at the date of passing the relevant resolution at the Annual General Meeting
“SF Ordinance”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company
“Shareholder(s)” or “Member(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



NGAI HING HONG COMPANY LIMITED

毅興行有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1047)

Executive Directors:

Hui Sai Chung (*Chairman*)

Hui Kwok Kwong

(Deputy Chairman and Managing Director)

Dr Wong Chi Ying, Anthony

Lai Kam Wah

Liu Sau Lai

Registered office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

*Head office and principal place
of business in Hong Kong:*

Unit 3, 6th Floor

Hopeful Factory Centre,

10 Wo Shing Street,

Fo Tan, New Territories,

Hong Kong

Independent Non-executive Directors:

Ho Wai Chi, Paul

Fong Pong Hing

Chan Dit Lung

28th October 2008

To the Shareholders and, for information only, holders of options

Dear Sir/Madam

**GRANT OF GENERAL MANDATES
TO ISSUE NEW SHARES AND REPURCHASE SHARES,
REFRESHMENT OF THE GENERAL SCHEME LIMIT,
RE-ELECTION OF DIRECTORS,
AMENDMENTS TO THE BYE-LAWS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The primary purposes of this circular are to provide you with information regarding the resolutions to be proposed at the Annual General Meeting and to give you notice of the Annual General Meeting. Resolutions to be proposed at the Annual General Meeting include ordinary resolutions on the grant of the Issue Mandate and the Repurchase Mandate, refreshment of the General Scheme Limit and re-election of Directors and a special resolution relating to the proposed amendments to the Bye-Laws.

* For identification purpose only

LETTER FROM THE BOARD

Under the Listing Rules, the Company is required to provide you with information reasonably necessary to enable you to make an informed decision as to whether to vote for or against the resolutions to be proposed at the Annual General Meeting. This circular is also prepared for such purpose.

GRANT OF ISSUE MANDATE AND REPURCHASE MANDATE

At the annual general meeting of the Company held on 28th November 2007, the Directors were granted a issue mandate to allot, issue and deal with Shares in the capital of the Company and a repurchase mandate to repurchase Shares on the Stock Exchange. These general mandates will expire at the conclusion of the Annual General Meeting. At the Annual General Meeting, separate ordinary resolutions will be proposed to renew the general mandates given to the Directors (i) to allot, issue and otherwise deal with Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company at the date of passing of the resolution; (ii) to exercise all powers of the Company to repurchase issued and fully paid Shares on the Stock Exchange up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company at the date of the passing of the resolution; (iii) to extend the general mandate granted to the Directors to allot, issue and deal with additional Shares as mentioned in paragraph (i) above by the amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the Repurchase Mandate.

The Repurchase Mandate allows the Company to make or agree to make repurchases only during the period ending on the earliest of (a) the date of the next annual general meeting; (b) the date by which the next annual general meeting of the Company is required to be held by law or by its Articles; or (c) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

As at the Latest Practicable Date, the issued share capital of the Company comprised 369,200,000 Shares. Assuming that there is no change in the issued share capital of the Company between the period from the Latest Practicable Date and the date of passing the relevant resolutions, the maximum number of Shares which may be issued pursuant to the Issue Mandate will be 73,840,000 Shares and the maximum number of Shares which may be repurchased pursuant to the Repurchase Mandate will be 36,920,000 on the date of passing the relevant resolutions.

To facilitate future allotment and issue of Shares by the Directors on behalf of the Company, the Directors will seek the approval of the Shareholders for the grant of the Issue Mandate and the Repurchase Mandate. The Directors have no immediate plans to allot and issue any new Shares other than such Shares which may fall to be issued upon the exercise of any options granted under the share option schemes of the Company.

The explanatory statement required by the Listing Rules to be included in this circular is set out in the appendix to this circular.

LETTER FROM THE BOARD

REFRESHMENT OF THE GENERAL SCHEME LIMIT

By a resolution passed by the Shareholders of the Company at the annual general meeting on 5th December 2002, the Company adopted a new share option scheme (the “New Scheme”) and terminated the old share option scheme. Under the rules of the New Scheme, the total number of Shares which may be issued upon the exercise of all options granted under the New Scheme is limited to 10% of the Company’s issued share capital as at the date of adoption of the New Scheme. At present, the Company does not operate any other share option scheme(s) other than this one.

Under the rules of the New Scheme:

- (1) the maximum number of Shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the New Scheme and any other share option scheme(s) of the Company must not exceed 30% of the issued share capital of the Company from time to time;
- (2) no options may be granted under the New Scheme and any other share option scheme(s) of the Company if it results in the General Scheme Limit being exceeded, unless the approval of Shareholders has been obtained. Options lapsed in accordance with the terms of the New Scheme will not be counted for the purpose of calculating the 10% limit; and
- (3) unless approved by the Shareholders at a general meeting, the total number of Shares issued and to be issued upon exercise of options granted to each eligible participant of the New Scheme (including both exercised and outstanding options) in any twelve months period shall not exceed 1% of the issued share capital of the Company.

The Company may seek approval from the Shareholders in general meeting for “refreshing” the General Scheme Limit under the New Scheme and any other share option scheme(s) of the Company. However, the total number of Shares which may be issued upon exercise of all options to be granted under the New Scheme as “refreshed” must not exceed 10% of the Share in issue as at the date of approval of the “refreshed” General Scheme Limit. Options previously granted under the New Scheme (including options outstanding, cancelled, lapsed or exercised in accordance with the New Scheme) will not be counted for the purpose of calculating the General Scheme Limit as “refreshed”.

Based on 300,000,000 Shares in issue as at the date of adoption of the New Scheme, the General Scheme Limit is 30,000,000. During the period from the date of adoption of New Scheme to the Latest Practicable Date, the General Scheme Limit has not been refreshed.

As at the Latest Practicable Date, a total of 30,000,000 shares have been granted to employees of the Company under the New Scheme, of which 23,800,000 shares remain outstanding.

The purposes of the New Scheme are to attract and retain best available personnel, to provide additional incentive to employees, Directors, consultants and advisors of the Group. Given that the existing General Scheme Limit has been fully granted, the New Scheme cannot continue to serve the intended purpose for the benefits of the Group unless the General Scheme Limit is “refreshed” in accordance with the rules of the New Scheme.

LETTER FROM THE BOARD

If the refreshment of the General Scheme Limit is approved at the Annual General Meeting based on the 369,200,000 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued and no Shares are repurchased after the Latest Practicable Date and up to the date of the Annual General Meeting, the Directors will be able to grant options for up to a total of 36,920,000 Shares under the “refreshed” General Scheme Limit, representing 10% of the total number of Shares in issue as at the date of the Annual General Meeting. The total number of Shares which may be issued upon exercise of the “refreshed” General Scheme Limit of 36,920,000 Shares together with all outstanding options as at the Latest Practicable Date carrying the right to subscribe 23,800,000 Shares is 60,720,000 Shares, representing approximately 16.45% of the total number of Shares in issue as at the date of the Annual General Meeting. Assuming no further Shares are issued and no Shares are repurchased after the Latest Practicable Date and up to the date of the Annual General Meeting, such percentage falls below the 30% limit as required by Rule 17.03 of the Listing Rules.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, any Shares, representing 10% of the issued share capital of the Company as at the date of the Annual General Meeting approving the refreshed General Scheme Limit, to be issued upon the exercise of the options granted under the refreshed General Scheme Limit of the New Scheme.

AMENDMENTS TO THE BYE-LAWS

To cater for the increasing demand from investors holding securities in the Company through CCASS for attending general meetings of the Company in person or appointing proxies to vote on their behalf, and pursuant to the relevant requirements for continuous admission into CCASS, the Directors propose to seek the approval of the shareholders of the Company for the amendments to the Bye-Laws in order to provide for the appointment of multiple proxies or corporate representatives by a Recognised Clearing House (or its nominee(s)) which is a member of the Company to vote in the general meetings of the Company.

In this connection, the Directors propose that Bye-Law 84(2) of the Bye-Laws be deleted and superseded entirely by the following subject to the Shareholders’ approval at the Annual General Meeting:

“Where a shareholder and/or warranholder is a Recognised Clearing House or its nominee(s), it may authorise such person or persons as it thinks fit to act as its representative(s) or proxy(ies) at any shareholders’ meetings or any meetings of any class of shareholders and/or warranholders provided that, if more than one person is so authorised, the authorisation or proxy form must specify the number and class of shares and/or warrants in respect of which each such person is so authorised. The person so authorised will be deemed to have been duly authorised without the need of producing any documents of title, notarised authorisation and/or further evidence for substantiating the fact that it is duly authorised and will be entitled to exercise the same power on behalf of the Recognised Clearing House (or its nominees) as that Recognised Clearing House or its nominee(s) could exercise if it were an individual shareholder and/or warranholder of the Company.”

LETTER FROM THE BOARD

In addition, in order to clarify that the continuation of the appointment of auditor to fill vacancy should be subject to the shareholders' approval at the following annual general meeting, the Directors propose that the following sentence be added at the end of the Bye-Law 157:

“Any Auditor so appointed shall hold office until the next following annual general meeting of the Company.”

The proposed amendments to the Bye-Laws is also set out in the special resolutions no. 5E as set out in the AGM Notice, which appears in appendix to this circular.

ACTIONS TO BE TAKEN

At the Annual General Meeting, resolutions will be proposed to approve, among other matters, the following:

- (a) the grant of the Issue Mandate;
- (b) the grant of the Repurchase Mandate;
- (c) the refreshment of the General Scheme Limit;
- (d) the re-election of Directors; and
- (e) the amendments to the Bye-Laws.

Whether or not you are able to attend the Annual General Meeting in person, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon as soon as possible and, in any event not later than 48 hours before the time for the Annual General Meeting or any adjournment thereof to the Company's branch share registrar, Union Registrars Limited, Rooms 1901-02 Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong. 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.

RECOMMENDATION

The Directors consider that the Issue Mandate, the Repurchase Mandate, the extension of the Issue Mandate, the refreshment of the General Scheme Limit, the re-election of the Directors and the amendments to the Bye-Laws are in the best interests of the Company and the Shareholders. The Directors therefore recommend the Shareholders to vote in favour of the relevant resolutions as set out in the AGM notice on pages 15 to 19 of this circular.

LETTER FROM THE BOARD

PROCEDURES TO DEMAND A POLL AT THE ANNUAL GENERAL MEETING

Pursuant to Bye-Law 66, a resolution put to the vote at any general meeting shall be decided on a show of hands unless voting by way of a poll is required by the Listing Rules or (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (a) by the chairman of such meeting; or
- (b) by at least three members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
- (c) by a member or members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all members having the right to vote at the meeting; or
- (d) by a member or members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy and holding shares in the Company 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; or
- (e) if required by the Listing Rules, by the Chairman of such meeting and/or Directors who, individually or collectively, hold proxies in respect of shares representing five per cent (5%) or more of the total voting rights at such meeting.

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

RE-ELECTION OF DIRECTORS

In accordance with Bye-Law 87, Mr Hui Sai Chung, Madam Liu Sau Lai and Mr Ho Wai Chi, Paul will retire from office as Directors by rotation. They are eligible and will offer themselves for re-election as Directors at the Annual General Meeting.

Biographical details

Executive Directors

Mr Hui Sai Chung, aged 61, is the Chairman and a co-founder of the Group. He is responsible for formulating and overseeing the implementation of the Group's business strategy. He is also responsible for the marketing and sales functions of the Group. He has more than 38 years' experience in the plastics industry. He is also the director of Ngai Hing (International) Company Limited, Ngai Hing Hong Plastic Materials Limited, Ngai Hing Hong Plastic Materials (Hong Kong) Limited, Hong Kong Colour Technology Limited, NHH Coltec Limited, Ngai Hing Engineering Plastic Materials

LETTER FROM THE BOARD

Limited, Ngai Hing Engineering Plastic (Hong Kong) Limited, NHH International Trading Limited, Dongguan Ngai Hing Plastic Materials Limited, Shanghai Ngai Hing Plastic Materials Company Limited, Tsing Tao Ngai Hing Plastic Materials Company Limited, Ngai Hing Engineering Plastic (Shanghai) Company Limited, Lucky Eagle Development Limited, Multi Well Limited, Form Best Limited, (B.V.I.) Safeway Development Company Limited, Safeway Development Company Limited, Foment Company Limited, Techpro Enterprises Limited, Topwell (BVI) Limited, Landpool Industrial Limited, Extrabest Holdings Limited, Easefame Investments Limited and NHH Biodegradable Plastics Company Limited, all of which are subsidiaries of the Group.

There is no service contract between the Company and Mr Hui, but he is entitled to a director's fee approved by the Board with reference to his roles and responsibilities and the prevailing market conditions. The emoluments (including director's fee and bonus payment) of Mr Hui for the year ended 30th June 2008 is HK\$3,639,952. For the financial year ending 30th June 2009, Mr Hui will be entitled to a remuneration of approximately HK\$3,695,952 per annum and discretionary bonus as may be decided by the Board having regard to the Group's performance and profitability. There is no fixed term for his appointment and he is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Bye-Laws which requires one third of the Directors shall retire from office by rotation and shall be eligible for re-election.

Madam Liu Sau Lai, aged 50, is responsible for personnel and office administration of the Group. She joined the Group in 1977. Madam Liu is a member of the Hong Kong Institute of Directors. She has more than 23 years' experience in plastic materials trading. She is also the director of Hong Kong Colour Technology Limited, Landpool Industrial Limited, Ngai Hing Engineering Plastic Materials Limited, Ngai Hing Engineering Plastic (Hong Kong) Limited, Ngai Hing Hong Plastic Materials (Hong Kong) Limited, Tsing Tao Ngai Hing Trading Company Limited, Ngai Hing Engineering Plastic (Shanghai) Company Limited, NHH Coltec Limited, Dongguan Ngai Hing Plastic Materials Limited, Tsing Tao Ngai Hing Plastic Materials Company Limited, NHH International Trading Limited, Ngai Hing (GZFTZ) Trading Company Limited, Extrabest Holdings Limited, Shanghai Ngai Sog Hing Trading Company Limited and Guangzhou Ngai Sog Hing Trading Company Limited, all of which are subsidiaries of the Group.

There is no service contract between the Company and Madam Liu, but she is entitled to a director's fee approved by the Board with reference to her roles and responsibilities and the prevailing market conditions. The emoluments (including director's fee and bonus payment) of Madam Liu for the year ended 30th June 2008 is HK\$1,580,580. For the financial year ending 30th June 2009, Madam Liu will be entitled to a remuneration of approximately HK\$1,614,080 per annum and discretionary bonus as may be decided by the Board having regard to the Group's performance and profitability. There is no fixed term for her appointment and she is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Bye-Laws which requires one third of the Directors shall retire from office by rotation and shall be eligible for re-election.

LETTER FROM THE BOARD

Independent non-executive Director

Mr Ho Wai Chi, Paul, aged 57, is the sole proprietor of Paul W.C. Ho & Company, Certified Public Accountants (Practising). He holds a Bachelor degree in Social Sciences and is an associate member of the Institute of Chartered Accountants in England and Wales, United Kingdom and a fellow member of the Hong Kong Institute of Certified Public Accountants. He also holds directorships as independent non-executive director of companies listed on the Main Board of the Stock Exchange which include China Star Entertainment Limited, Bel Global Resources Holdings Limited (formerly known as Peking Apparel International Group Limited) and China Star Investment Holdings Limited (formerly known as Riche Multi-Media Holdings Limited).

There is no service contract between the Company and Mr Ho, but he is entitled to a director's fee approved by the Board with reference to his roles and responsibilities and the prevailing market conditions. The emoluments (including director's fee and bonus payment) of Mr Ho for the year ended 30th June 2008 is HK\$150,000. For the financial year ending 30th June 2009, Mr Ho will be entitled to a remuneration of approximately HK\$150,000 per annum. There is no fixed term for his appointment and he is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Bye-Laws which requires one third of the Directors shall retire from office by rotation and shall be eligible for re-election.

Interests in Shares and underlying Shares

As at the Latest Practicable Date, the interests in the Shares (within Part XV of the SF Ordinance) of Mr Hui Sai Chung and Madam Liu Sau Lai were as follows:

Name of Directors	Number of Shares beneficially held			Number of Shares convertible by unlisted share options (physically settled equity derivatives)	
	Personal interests	Corporate interests	Other interests		
Mr Hui Sai Chung	Long positions	14,971,600	202,721,500(a)	—	3,000,000
Madam Liu Sau Lai	Long positions	1,323,000	—	(b)	3,000,000

Notes:

- (a) 196,721,500 of these shares are held by Good Benefit Limited ("Good Benefit"), a company in which Ever Win Limited ("Ever Win") holds a 45.1% interest (note (b)). In addition, 6,000,000 shares are held by Ever Win directly.

50,000 ordinary shares of one Canadian dollar each in Ever Win are held by a trustee on behalf of a discretionary trust, the discretionary objects of which include Mr Hui Sai Chung and his family members. Mr Hui Sai Chung and his spouse further own 30,834 and 5 class A non-convertible redeemable preferred shares of no par value in Ever Win respectively.

LETTER FROM THE BOARD

- (b) The beneficial interests of the Directors in the share capital of Good Benefit, which held 196,721,500 shares of the Company as at the Latest Practicable Date, are as follows:

Name of Directors	Number of shares	Percentage of holding
Mr Hui Sai Chung	4,510	45.1%
Mr Hui Kwok Kwong	4,510	45.1%
Madam Liu Sau Lai	80	0.8%
Others	900	9.0%
	<hr/>	<hr/>
	<u>10,000</u>	<u>100.0%</u>

Mr Ho Wai Chi, Paul did not have any interests in the Shares within the meaning of Part XV of the SF Ordinance.

Save as disclosed above, Mr Hui Sai Chung, Madam Liu Sau Lai and Mr Ho Wai Chi, Paul have not held any other positions or directorship in any members of the Group, nor have any previous experience including other directorships held in listed companies in the last three years. Mr Hui Sai Chung, Madam Liu Sau Lai and Mr Ho Wai Chi, Paul are not connected with and have no relationship with any directors, senior management, substantial or controlling Shareholders of the Company. There is no information to be disclosed pursuant to any of the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules for Mr Hui Sai Chung, Madam Liu Sau Lai and Mr Ho Wai Chi, Paul and there is no other matters that need to be brought to the attention of the Shareholders.

ADDITIONAL INFORMATION

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

Yours faithfully,
For and on behalf of the Board
Hui Sai Chung
Chairman

APPENDIX — EXPLANATORY STATEMENT

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide the requisite information to enable you to make an informed decision whether to vote for or against the resolution to approve the grant of the Repurchase Mandate to the Directors.

Listing Rules relating to the repurchase of securities

The Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their securities on the Stock Exchange subject to certain restrictions, the most important of which is summarised below. The Company is empowered by its memorandum of association and the Bye-Laws to repurchase its own securities.

Share capital

As at the Latest Practicable Date, the issued share capital of the Company comprised 369,200,000 Shares. Subject to the passing of the proposed resolution for the grant of the Repurchase Mandate and on the basis that no Shares are allotted and issued or repurchased by the Company prior to the Annual General Meeting, the Company will be allowed under the Repurchase Mandate to repurchase up to a maximum of 36,920,000 Shares.

Reasons for the repurchase

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders. An exercise of the Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made if the Directors believe that such repurchases will benefit the Company and its Shareholders.

Funding of repurchases

In repurchasing securities, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association and the Bye-Laws, the Listing Rules and the applicable laws of Bermuda.

Taking into account the current working capital position of the Group, the Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of the Group as compared with the position as at 30th June 2008. However, the Directors do not intend to make any repurchases to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing position of the Group which in the opinion of the Directors are from time to time appropriate for the Group.

APPENDIX — EXPLANATORY STATEMENT

Share prices

The highest and lowest prices at which the Shares have traded on the Stock Exchange during each of the previous twelve months and in the current month up to the Latest Practicable Date, before the printing of this circular were as follows:

2007	Highest HK\$	Lowest HK\$
October	0.520	0.460
November	1.120	0.470
December	1.260	0.810
2008		
January	1.640	0.850
February	1.020	0.680
March	0.950	0.700
April	0.800	0.610
May	0.720	0.510
June	0.560	0.520
July	0.560	0.490
August	0.475	0.385
September	0.420	0.270
October (<i>Note</i>)	0.315	0.220

* Note: Up to the Latest Practicable Date

Disclosure of interests and minimum public holding

None of the Directors or, to the best of their knowledge, having made all reasonable enquiries, their associates (as defined in the Listing Rules), have any present intention to sell to the Company or its subsidiaries any of the securities in the Company if the Repurchase Mandate is approved at the Annual General Meeting and exercised.

The Directors have undertaken to the Stock Exchange that they will exercise the power of the Company to make purchases of the Shares pursuant to the Repurchase Mandate in accordance with the Listing Rules, applicable laws of Bermuda and the regulations set out in the memorandum of association of the Company and the Bye-Laws.

If a Shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase securities pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

APPENDIX — EXPLANATORY STATEMENT

As at the Latest Practicable Date, to the best knowledge and belief of the Directors, each of (1) Hui Sai Chung; (2) Hui Kwok Kwong; and (3) HSBC Trustee (Cook Islands) Limited were interested in approximately 58.96%, 58.08% and 55.47% of the then issued share capital of the Company. Each of Mr Hui Sai Chung and Mr Hui Kwok Kwong holds 45.1% interest in Good Benefit Limited, a company which holds approximately 53.28% of the issued capital of the Company. Mr Hui Sai Chung and Mr Hui Kwok Kwong are deemed to be holding 53.28% interest in the Company indirectly through Good Benefit Limited under the SF Ordinance. HSBC Trustee (Cook Islands) Limited is interested in 55.47% of the issued capital of the Company solely because it is the Trustee of the family trusts of Mr Hui Sai Chung and Mr Hui Kwok Kwong, and is responsible for their management. On the basis that 369,200,000 Shares were in issue as at the Latest Practicable Date and assuming no further issue nor repurchase of Shares prior to the date of the Annual General Meeting, if the Repurchase Mandate were exercised in full, the percentage interests in the capital of the Company held by each of (1) Hui Sai Chung; (2) Hui Kwok Kwong; and (3) HSBC Trustee (Cook Islands) Limited would increase to approximately 65.51%, 64.54% and 61.64% respectively of the issued share capital of the Company.

On the basis of the current percentage interests in the Company of such persons, an exercise of the Repurchase Mandate in full will not result in any of such persons becoming obliged to make a mandatory offer under the Takeovers Code.

The Directors have no intention to exercise the Repurchase Mandate to such an extent that it will result in less than 25% of the Shares being held by the public.

As at the Latest Practicable Date, no connected person (within the meaning ascribed to it in the Listing Rules) of the Company has notified the Company that he/she/it has a present intention to sell any securities of the Company nor has such connected person undertaken not to sell any of the securities held by him/her/it to the Company in the event that the Repurchase Mandate is granted.

Securities repurchase made by the Company

The Company had not purchased any of the Shares (whether on the Stock Exchange or otherwise) during the six months preceding the date of this circular.

NOTICE OF ANNUAL GENERAL MEETING



NGAI HING HONG COMPANY LIMITED 毅興行有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1047)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Ngai Hing Hong Company Limited (the “Company”) will be held at Caine Room, Level 7, Conrad Hotel, Pacific Place, 88 Queensway, Hong Kong, on Wednesday, 26th November 2008 at 10:00 a.m. for the following purposes:

1. To receive and approve the audited consolidated financial statements, the Report of the Directors and the Independent Auditor’s Report for the year ended 30th June 2008;
2. To declare a final dividend for the year ended 30th June 2008;
3. To re-elect the retiring directors and to authorise the Board of Directors to fix the Directors’ remuneration;
4. To re-appoint auditors and to authorise the Board of Directors to fix their remuneration;
5. As special business, to consider and, if thought fit, pass with or without amendments, the following ordinary and special resolutions:

ORDINARY RESOLUTIONS

A. “THAT:

- (a) subject to paragraph (c) below, the exercise by the directors during the Relevant Period (as defined below) of all powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make and grant offers, agreements and options which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the directors during the Relevant Period to make and grant offers, agreements and options which would or might require the exercise of such power during or after the end of the Relevant Period;

* For identification purpose only

NOTICE OF ANNUAL GENERAL MEETING

- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); (ii) the exercise of rights of subscription under the terms of any warrants or other securities issued by the Company as at the date of this resolution carrying a right to subscribe for or purchase shares of the Company; or (iii) the exercise of the subscription rights under the share option schemes of the Company, shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date 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;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws of the Company or any applicable law to be held; or
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the directors to 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 of the Company may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory).”

B. “THAT:

- (a) the exercise by the directors of the Company during the Relevant Period (as defined below) of all powers of the Company to repurchase shares of HK\$0.10 each in the capital of the Company on the Stock Exchange, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the aggregate nominal amount of shares of the Company to be repurchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of this resolution and the said approval shall be limited accordingly; and
- (c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the 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 Bye-Laws of the Company or any applicable law to be held; or
 - (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”
- C. “**THAT** conditional upon resolution no.5B above being passed, the aggregate nominal amount of the number of shares in the capital of the Company which are repurchased by the Company under the authority granted to the directors as mentioned in resolution no.5B above shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to resolution no.5A above, provided that such amount shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this Resolution.”
- D. “**THAT** subject to and conditional upon the Listing Committee of the Stock Exchange granting the listing of and permission to deal in shares of HK\$0.10 each in the share capital of the Company to be issued pursuant to the exercise of the options which may be granted under the Refreshed General Scheme Limit (as hereinafter defined), the refreshment of the General Scheme Limit of the new share option scheme of the Company adopted on 5th December 2002 up to 10 per cent. of the number of shares of the Company in issue as at the date of passing of this resolution (the “Refreshed General Scheme Limit”) be and is hereby approved and any Director be and is hereby authorised to do all such acts and execute such document to effect the Refreshed General Scheme Limit.”

NOTICE OF ANNUAL GENERAL MEETING

SPECIAL RESOLUTION

E. "THAT the Bye-Laws of the Company be amended as follows:

By deleting the existing Bye-Law 84(2) and substituting therefore the following new Bye-Law 84(2):

"Where a shareholder and/or warrantholder is a Recognised Clearing House or its nominee(s), it may authorise such person or persons as it thinks fit to act as its representative(s) or proxy(ies) at any shareholders' meetings or any meetings of any class of shareholders and/or warrantholders provided that, if more than one person is so authorised, the authorisation or proxy form must specify the number and class of shares and/or warrants in respect of which each such person is so authorised. The person so authorised will be deemed to have been duly authorised without the need of producing any documents of title, notarised authorisation and/or further evidence for substantiating the fact that it is duly authorised and will be entitled to exercise the same power on behalf of the Recognised Clearing House (or its nominee(s)) as that Recognised Clearing House or its nominee(s) could exercise if it were an individual shareholder and/or warrantholder of the Company."

By adding the following sentence at the end of the Bye-Law 157:

"Any Auditor so appointed shall hold office until the next following annual general meeting of the Company."

By Order of the Board

CHAN Ka Ho

Company Secretary

Hong Kong, 28th October 2008

Head office and principal place of business in Hong Kong:

Unit 3, 6th Floor

Hopeful Factory Centre

10 Wo Shing Street

Fo Tan, New Territories

Hong Kong

Notes:

1. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more than one proxy to attend and vote in his stead. A proxy need not be a member of the Company.

NOTICE OF ANNUAL GENERAL MEETING

2. In order to be valid, a form of proxy and (if required by the Board of Directors) the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited to the Company's branch share registrar in Hong Kong, Union Registrars Limited, Rooms 1901-02 Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong not less than 48 hours before the time for holding the meeting or adjourned meeting.

3. The Register of Members of the Company will be closed from Friday, 21st November 2008 to Wednesday, 26th November 2008 (both dates inclusive) during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend to be approved at the meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Union Registrars Limited, Rooms 1901-02 Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong not later than 4:00 p.m. on Thursday, 20th November 2008.

4. The existing Board of Directors comprises five Executive Directors, namely, Mr Hui Sai Chung, Mr Hui Kwok Kwong, Dr Wong Chi Ying, Anthony, Mr Lai Kam Wah and Madam Liu Sau Lai and three Independent Non-executive Directors, namely, Mr Ho Wai Chi, Paul, Mr Fong Pong Hing and Mr Chan Dit Lung.