
IMPORTANT

If you are in any doubt about 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 Winfoong International Limited, you should at once hand this circular, together with the enclosed 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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WINFOONG INTERNATIONAL LIMITED

(榮豐國際有限公司*)

(Incorporated in Bermuda with limited liability)

(Stock code: 63)

GENERAL MANDATE TO REPURCHASE SHARES AND TO ISSUE SHARES, RE-ELECTION OF DIRECTORS, ADOPTION OF NEW SHARE OPTION SCHEME AND NOTICE OF ANNUAL GENERAL MEETING

A notice convening an annual general meeting of Winfoong International Limited (the "Company") to be held at Falcon Room II, Gloucester Luk Kwok Hong Kong, 72 Gloucester Road, Wanchai, Hong Kong on 25 June 2013 at 11:00 a.m. (the "AGM") is set out on pages 29 to 32 of this circular.

A form of proxy for use at the AGM is enclosed with this circular. Whether or not you are able to attend the AGM, you are requested to complete the accompanying form of proxy and return it to the Company's branch registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, located at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time fixed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM or any adjournment thereof should you so wish.

30 April 2013

* For identification purpose only

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DEFINITIONS

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

“Adoption Date”	the date on which the New Scheme is conditionally adopted by resolution of the Shareholders in the AGM;
“AGM”	the annual general meeting of the Company to be held at Falcon Room II, Gloucester Luk Kwok Hong Kong, 72 Gloucester Road, Wanchai, Hong Kong on 25 June 2013 at 11:00 a.m. to consider and, if appropriate, to approve the resolutions as set out in the notice of AGM;
“associate(s)”	the meaning as defined in the Listing Rules;
“Auditors”	the auditors for the time being of the Company;
“Board”	the board of Directors;
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities;
“Bye-Laws”	the bye-laws of the Company currently in force with any amendments thereto from time to time;
“Company”	Winfoong International Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Stock Exchange;
“Director(s)”	the director(s) of the Company;
“Eligible Employee”	any employee (whether full time or part time, including any executive Director but excluding any non-executive Director) of the Company, any Subsidiary or any Invested Entity;
“Eligible Participants”	refer to Principal Terms of the New Scheme paragraph 4.1 as set out in Appendix II to this circular;
“Grantee”	any Eligible Participant who accepts the Offer in accordance with the terms of the New Scheme or (where the context so permits) a person entitled to any such Option in consequence of the dealt of the original Grantee;
“Group”	the Company and its Subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;

DEFINITIONS

“Invested Entity”	any entity in which any member of the Group holds any equity interest;
“Issue Mandate”	the proposed issue mandate to be granted to the Directors to allot, issue and deal with Shares not exceeding 20 per cent. of the aggregate nominal value of the share capital of the Company as at the date of passing the resolution for approving the issue mandate;
“Latest Practicable Date”	23 April 2013, being the latest practicable date prior to the printing of this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“New Scheme”	the new share option scheme proposed to be adopted by the Company at the AGM;
“Offer”	an offer for the grant of an Option made in accordance with the New Scheme;
“Offer Date”	the date, which must be a Business Day, on which the Board passes a resolution approving the making of an offer of grant of an Option to an Eligible Participant;
“Option”	an option to subscribe for the Shares granted pursuant to the New Scheme;
“Option Period”	in respect of any particular Option, a period (which may not expire later than 10 years from the Offer Date of that Option) to be determined and notified by the Directors to the Grantee thereof and, in the absence of such determination, from the date of acceptance of the Offer of such Option to the earlier of the date on which such Option lapses under the provisions of Principal Terms of the New Scheme paragraph 7 as set out in Appendix II to this circular or 10 years from the Offer Date of that Option;
“Personal Representative(s)”	the person or persons who, in accordance with the laws of succession applicable in respect of the death of a Grantee (being an individual), is or are entitled to exercise the Option granted to such Grantee (to the extent not already exercised);
“Repurchase Mandate”	the proposed repurchase mandate to be granted to the Directors to exercise the power of the Company to repurchase Shares not exceeding 10 per cent. of the aggregate nominal amount of the share capital of the Company as at the date of passing the resolution for approving the repurchase mandate;

DEFINITIONS

“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong);
“SGX”	The Singapore Exchange Securities Trading Limited;
“Share(s)”	ordinary shares of HK\$0.05 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option pursuant to the New Scheme;
“Subsidiary”	a company which is for the time being and from time to time a subsidiary (within the meaning of the Companies Ordinance (Cap. 32 of the Laws of Hong Kong)) of the Company, whether incorporated in Hong Kong, Bermuda or elsewhere;
“Takeovers Code”	The Hong Kong Codes on Takeovers and Mergers;
“Termination Date”	close of business of the Company on the date which falls ten (10) years after the Adoption Date; and
“%”	per cent.

LETTER FROM THE BOARD



WINFOONG INTERNATIONAL LIMITED

(榮豐國際有限公司*)

(Incorporated in Bermuda with limited liability)

(Stock code: 63)

Executive Directors:

Cheong Pin Chuan, Patrick
(Chairman and Managing Director)
Cheong Kim Pong
Cheong Sim Eng
Cheong Hooi Kheng

*Principal place of business
in Hong Kong:*

Room 3201
9 Queen's Road Central
Hong Kong

Independent non-executive Directors:

Chan Yee Hoi, Robert
Leung Wing Ning
Kwik Sam Aik

30 April 2013

To the Shareholders

Dear Sir/Madam,

**GENERAL MANDATE TO REPURCHASE SHARES
AND TO ISSUE SHARES,
RE-ELECTION OF DIRECTORS,
ADOPTION OF NEW SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

At the AGM of the Company to be held on 25 June 2013, Mr. Cheong Pin Chuan, Patrick, Mr. Cheong Sim Eng and Ms. Cheong Hooi Kheng will retire as Directors in accordance with Bye-Law 87(1) of the Bye-Laws. Mr. Cheong Pin Chuan, Patrick, Mr. Cheong Sim Eng and Ms. Cheong Hooi Kheng, being eligible, will offer themselves for re-election as executive Directors at the AGM. Resolutions will be proposed at the AGM to re-elect Mr. Cheong Pin Chuan, Patrick, Mr. Cheong Sim Eng and Ms. Cheong Hooi Kheng as Directors. Brief biographical details of the retiring Directors who are proposed to be re-elected at the AGM are set out in Appendix I to this circular. You are advised to read Appendix I so as to make decision on whether to vote for or against the resolutions to re-elect Mr. Cheong Pin Chuan, Patrick, Mr. Cheong Sim Eng and Ms. Cheong Hooi Kheng as Directors.

* For identification purpose only

LETTER FROM THE BOARD

In addition, among other resolutions, resolutions will be proposed to grant to the Directors general mandates to repurchase shares of the Company and to issue shares of the Company, and to adopt the New Scheme.

This circular contains the explanatory statement in compliance with the Listing Rules to give all the information reasonably necessary to enable Shareholders to make an informed decision on whether to vote for or against the resolution to approve (1) the grant of the general mandates for the purchase by the Company of its own shares and to issue shares of the Company, and (2) the adoption of the New Scheme.

I. GENERAL MANDATE TO REPURCHASE SHARES

At the AGM, among other things, an ordinary resolution will be proposed that the Directors be given a general mandate to exercise all powers of the Company to repurchase issued and fully paid Shares not exceeding 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing the relevant resolution. The Company's authority is restricted to purchases made on the Stock Exchange. As at the Latest Practicable Date, there were in issue an aggregate of 2,631,652,084 Shares. Exercising in full of the Repurchase Mandate, on the basis that no further Shares are issued or repurchased from the Latest Practicable Date up to (and including) the date of the AGM, could accordingly result in up to 263,165,208 Shares being repurchased by the Company. The Repurchase Mandate allows the Company to make repurchases only during the period ending on the earliest of the date of the next annual general meeting, the date by which the next annual general meeting of the Company is required to be held by law and the date upon which such authority is revoked or varied by the Shareholders.

Reason for Shares Repurchase

The Directors have no present intention to repurchase any Shares but consider that the Repurchase Mandate will provide the Company with the flexibility to make repurchase when appropriate and beneficial to the Company. Such repurchases may enhance the net asset value of the Company and/or earnings per Share.

Funding of Shares Repurchase

There might be material adverse impact on the working capital or gearing position of the Company, as compared with the financial position of the Company as at 31 December 2012 (being the date of its latest audited accounts) in the event that the share repurchases pursuant to the Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the mandate to such an extent as would, in the circumstances, have a material adverse impact on the working capital or gearing ratio of the Company, which in the opinion of the Directors are from time to time appropriate for the Company.

LETTER FROM THE BOARD

The Company is empowered by its Memorandum of Association and the Bye-Laws to repurchase its Shares. The Companies Act 1981 (as amended) of Bermuda provides that the amount of capital repaid in connection with the share repurchases may only be paid out of the capital paid up on the relevant shares, funds of the Company that would otherwise be available for dividend or distribution or the proceeds of a new issue of shares made for such purpose. In repurchasing Shares, the Company will only apply funds legally available for such purpose in accordance with the Bye-Laws and the laws of Bermuda. In accordance with the Listing Rules, the listing of all Shares which are repurchased by the Company (whether on the Stock Exchange or otherwise) shall be automatically cancelled upon repurchase and the Company would apply for listing of any further issue of that type of shares in the normal way.

DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

None of the Directors nor, to the best of the knowledge of the Directors having made all reasonable enquiries, any of the associates of any of the Directors has any present intention, in the event that the proposal is approved by Shareholders, to sell Shares to the Company. No connected person (as defined in the Listing Rules) of the Company has notified the Company that he/she/it has a present intention to sell Shares to the Company nor has he/she/it undertaken not to sell any of the Shares held by him/her to the Company in the event that the Company is authorised to make repurchases of Shares.

UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases pursuant to the proposed resolution in accordance with the Listing Rules, the laws of Hong Kong and all applicable laws of Bermuda and in accordance with the regulations set out in the Memorandum of Association of the Company and the Bye-Laws.

EFFECT OF TAKEOVERS CODE

If on the exercise of the power to 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 for the purpose of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code. As at the Latest

LETTER FROM THE BOARD

Practicable Date, to the best of the knowledge and belief of the Directors, the substantial Shareholders having interests in 10% or more of the issued share capital of the Company were:

Shareholder	Number of Shares held	Approximate percentage shareholding as at the Latest Practicable Date
Hong Fok Corporation Limited (“HFC”)	1,652,910,365	62.81%
Hong Fok Corporation Limited (a Cayman Islands company) (“HFC Cayman”)	1,605,467,362	61.01%
Hong Fok Land International Limited (“HFL”)	628,746,775	23.89%
Hong Fok Land Asia Limited (“HFLA”)	628,746,775	23.89%
First Strategy Investments Limited	628,746,775	23.89%
Barragan Trading Corp.	285,312,566	10.84%

Note: HFC was deemed to have the same beneficial interests as its wholly-owned subsidiaries, HFC Cayman and Hong Fok Corporation (H.K.) Limited (“HFCHK”), did in the issued share capital of the Company by virtue of HFC’s interest in HFC Cayman and HFCHK. HFC Cayman and HFCHK were directly interested in 976,720,587 and 47,443,003 Shares respectively. HFC beneficially owned approximately 36.98% of the issued share capital of HFL and was deemed to have the same beneficial interests as HFL did in 628,746,775 Shares. HFL was deemed to have the same beneficial interests as its wholly-owned subsidiary, HFLA, did in the issued share capital of the Company. HFLA was deemed to have the same beneficial interests as its wholly-owned subsidiary, First Strategy Investments Limited, did in the issued share capital of the Company by virtue of HFLA’s interest in First Strategy Investments Limited.

If the Directors exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the resolution and as set out above assuming the present shareholding by each of the substantial Shareholders remain the same, the percentage holdings of the above substantial Shareholders would be as follows:

Shareholder	Approximate percentage shareholding if the repurchase is exercised in full
HFC	69.79%
HFC Cayman	67.78%
HFL	26.55%
HFLA	26.55%
First Strategy Investments Limited	26.55%
Barragan Trading Corp.	12.05%

On the above basis, as at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, the Directors are not aware of any consequence which would arise under the Takeovers Code as a result of any repurchases pursuant to the Repurchase Mandate.

LETTER FROM THE BOARD

In addition, the Directors have no intention to exercise the Repurchase Mandate to the extent that it would result in the aggregate amount of the share capital of the Company in public hands being reduced to less than 25%, being the minimum prescribed public float requirement under the Listing Rules.

GENERAL

During each of the six months preceding the date of this circular, no Shares have been repurchased by the Company.

During each of the twelve months from 1 April 2012 to the Latest Practicable Date, the highest and lowest traded prices for Shares on the Stock Exchange were as follows:

Month	Highest traded price (HK\$)	Lowest traded price (HK\$)
April 2012	0.088	0.057
May 2012	0.079	0.043
June 2012	0.075	0.062
July 2012	0.084	0.060
August 2012	0.075	0.050
September 2012	0.082	0.060
October 2012	0.073	0.062
November 2012	0.083	0.060
December 2012	0.080	0.071
January 2013	0.121	0.074
February 2013	0.105	0.080
March 2013	0.091	0.065
April 2013 (up to the Latest Practicable Date)	0.095	0.066

II. GENERAL MANDATE TO ISSUE SHARES

At the AGM, among other things, an ordinary resolution will be proposed to:

- (1) grant the Directors the Issue Mandate to issue, allot and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options including warrants, bonds and debentures convertible into Shares which might require the exercise of such power, of an aggregate nominal amount of not exceeding 20 per cent. of the share capital of the Company in issue on the date of passing the relevant resolution; and
- (2) extend the Issue Mandate by an amount representing the aggregate nominal amount of the Shares repurchased by the Company pursuant to and in accordance with the Repurchase Mandate.

LETTER FROM THE BOARD

III. ADOPTION OF NEW SHARE OPTION SCHEME

The old share option scheme was adopted by the Company on 15 April 2002 and has a term of ten years. The old share option scheme has expired on 15 April 2012. As at the Latest Practicable Date, the Company has no outstanding share option pursuant to the old share option scheme.

As the old share option scheme has expired, the Directors proposed to adopt the New Scheme, the principal terms of which are set out in Appendix II to this circular. The rules of the New Scheme proposed to be adopted by the Company at the AGM will be available for inspection at the principal place of business in Hong Kong at Room 3201, 9 Queen's Road Central, Hong Kong during normal business hours from the Latest Practicable Date up to and including the date of the AGM.

Under the principal terms of the New Scheme, the scope of eligible participants is expanded which include:

- (a) any Eligible Employee;
- (b) any non-executive directors (including independent non-executive directors) of the Company, any Subsidiary or any Invested Entity;
- (c) any supplier of goods or services to any member of the Group or any Invested Entity;
- (d) any customer of the Group or any Invested Entity;
- (e) any person or entity that provides research, development or other technological support to the Group or any Invested Entity;
- (f) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;
- (g) any adviser (professional or otherwise) or consultant to any area of business or business development of the Group or any Invested Entity; and
- (h) any other group or classes of Participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group.

The initial maximum number of Shares which may be allotted and issued upon exercise of all outstanding options granted under the New Scheme and any other share option schemes of the Company (including the old share option scheme) may represent up to 10% of the Shares in issue on the date of approval of the New Scheme by the Shareholders at the AGM (the “**General Scheme Limit**”), which maximum number may however be refreshed as detailed in paragraph 8.2 of “Principal Terms of the New Share Option Scheme” as set out in Appendix II to this circular.

On the basis of 2,631,652,084 Shares in issue as at the Latest Practicable Date and assuming that, prior to the AGM, no Shares are issued or repurchased by the Company, the General Scheme Limit will be 263,165,208 Shares.

LETTER FROM THE BOARD

The maximum number of Shares which may be allotted and issued upon exercise of all outstanding Options granted and yet to be exercised under the New Scheme and any other share option schemes adopted by the Group shall not exceed 30% of the Shares in issue from time to time. And no Options may be granted under the New Scheme or any other share option scheme adopted by the Group if the grant of such Option will result in the limit above being exceeded.

The terms of the New Scheme provide that in granting Options under the New Scheme, the Board may offer to grant any Options subject to such terms and conditions in relation to the minimum period of the Options to be held and/or the performance criteria to be satisfied before such Options can be exercised and/or any other terms as the Board may determine in its absolute discretion. The Board will also have the discretion in determining the Subscription Price in respect of any Option, provided that the relevant requirements in the Listing Rules are complied with.

The Directors are of the view that the flexibility given to the Directors to impose the minimum period for which the Options have to be held and performance targets and other conditions that have to be achieved before the Options can be exercised, will place the Group in a better position to attract human resources that are valuable to the growth and development of the Group as a whole.

The Company is not required to appoint any trustee for the purpose of administering the New Scheme. The New Scheme will be subject to administration of the Board. None of the Directors is or will be a trustee of the New Scheme or have a direct or indirect interest in any such trustee.

To the best knowledge of the Directors, as at the Latest Practicable Date, no Shareholders have a material interest in the New Scheme different to that of any other Shareholders and accordingly, no Shareholders will have to abstain from voting at the AGM on the resolution approving the adoption of the New Scheme.

Conditions of the adoption of the New Scheme

The adoption of the New Scheme is conditional upon (i) the approval of the New Scheme at the AGM and the allotment and issue of the Shares which may fall to be allotted and issued upon the exercise of the options granted under the New Scheme; and (ii) the Stock Exchange granting approval of the listing of, and permission to deal in, the Shares which may fall to be allotted and issued upon the exercise of the options granted up to 10% of the Shares in issue as at the date of the AGM under the New Scheme.

Application will be made to the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares representing 10% of the issued share capital of the Company as at the date of the AGM which may fall to be allotted and issued upon the exercise of options to be granted under the New Scheme.

Reasons for the proposal

Under the terms of the old share option scheme, the Company may grant options to the Directors or any employees. The old share option scheme has expired on 15 April 2012.

LETTER FROM THE BOARD

The Directors consider that the adoption of the New Scheme is in the interest of the Company and the Shareholders as a whole because it enables the Company to reward and provide incentives to, and strengthen the Group's business relationship with, the prescribed classes of participants who may contribute to the growth and development of the Group.

Values of all options that can be granted under the New Scheme

The Directors consider that it is not possible to state the value of all options that may be granted pursuant to the New Scheme as if they had been granted on the Latest Practicable Date, because the calculation of the value of the options is based on a number of variables such as the exercise price, exercise period, interest rate, expected volatility and other relevant variables. As options have not been granted under the New Scheme, certain variables are not available for calculating the value of the options. The Directors believe that any calculation of the value of the options as at the Latest Practicable Date based on a great number of speculative assumptions would not be meaningful to the Shareholders.

IV. ANNUAL GENERAL MEETING

A notice convening the AGM to be held at Falcon Room II, Gloucester Luk Kwok Hong Kong, 72 Gloucester Road, Wanchai, Hong Kong on 25 June 2013 at 11:00 a.m. for the purpose of considering and, if thought fit, passing the resolutions set out therein is set out on pages 29 to 32 of this circular.

A form of proxy for use at the AGM is enclosed with this circular. Whether or not you are able to attend the AGM, you are requested to complete the accompanying form of proxy and return it to the Company's branch registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, located at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time fixed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM or any adjournment thereof should you so wish.

VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The chairman of meeting will therefore demand a poll for every resolution put to the vote of the AGM.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. 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.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors consider that the proposal for the Repurchase Mandate, the Issue Mandate, the extension of the Issue Mandate, the re-election of the Directors and the adoption of the New Scheme are in the interest of the Company and so recommend you to vote in favour of the relevant resolutions at the AGM. The Directors will vote all their shareholdings in favour of the relevant resolutions.

Yours faithfully
Cheong Pin Chuan, Patrick
Chairman

APPENDIX I PARTICULARS OF DIRECTORS SUBJECT TO RE-ELECTION

The biographical and other details of the retiring Directors standing for re-election at the AGM as required by the Listing Rules are set out below:

Mr. Cheong Pin Chuan, Patrick, aged 63

Executive Director

Mr. Cheong Pin Chuan, Patrick is the Chairman and managing Director. Mr. Cheong is a member of the Australian Society of Certified Practising Accountants and the Hong Kong Institute of Certified Public Accountants. He joined the Group in 1991 and was appointed a Director in 1996 and a member of the remuneration committee and nomination committee of the Company in 2012. He has over 40 years' experience in property development. He is a director of HFC, a substantial Shareholder, the shares of which are listed on the SGX, and is a director of certain subsidiaries of the Company.

Mr. Cheong is father to Messrs. Cheong Tze Hong, Marc and Cheong Tze Hian, Howard, senior management of the Group; brother to Messrs. Cheong Kim Pong and Cheong Sim Eng and Ms. Cheong Hooi Kheng, Directors and directors of HFC and Ms. Cheong Puay Kheng, senior management of the Group; and uncle to Mr. Cheong Aik Yen, Roy, senior management of the Group.

As at the Latest Practicable Date, Mr. Cheong had the following interests in Shares within the meaning of Part XV of the SFO:

Position	Number of Shares held	Percentage
Long (<i>Note</i>)	3,736,700	0.14%

Note: Madam Helen Zee Yee Ling, the spouse of Mr. Cheong, was interested in 3,736,700 Shares, and as a result, Mr. Cheong is deemed to be interested in these Shares.

Mr. Cheong entered into a service contract with the Company for a term of three years commencing on 1 April 2012 which may be terminated by either party by written notice of not less than three months and he is subject to retirement by rotation and re-election in accordance with the Bye-Laws. The annual salary of Mr. Cheong is nil. Mr. Cheong is entitled to reimbursement of residence expenses of not exceeding HK\$3 million per year and for each year a discretionary bonus as may be decided by the Board and benefit in kind. Mr. Cheong's remuneration was determined upon negotiation between Mr. Cheong and the Company at arm's length on the basis of his performance and working experience as well as the prevailing market conditions.

On or about 16 October 2006, it has come to Mr. Cheong's attention that Sam Kee Garden (H.K.) Limited ("**Sam Kee**"), a company incorporated in Hong Kong, was wound up by the Court by a Winding Up Order made on 11 October 2006. As Mr. Cheong resigned as director of Sam Kee on 17 October 2005, he has no knowledge of the amount involved and the current position of such winding up proceedings as the same has not yet been commenced during his term of directorship. Before Mr. Cheong's resignation, Sam Kee's business was provision of management services.

APPENDIX I PARTICULARS OF DIRECTORS SUBJECT TO RE-ELECTION

Save as disclosed above and as at the Latest Practicable Date, Mr. Cheong had not held any other directorship in any listed companies or had any major appointment in the last three years and does not hold any other positions with the Company or other members of the Group and is not related to any Directors, senior management or substantial or controlling Shareholders.

Mr. Cheong Sim Eng, aged 52
Executive Director

Mr. Cheong Sim Eng graduated from the Chaminade University of Honolulu with a Bachelor of Arts degree. He joined the Group in 1991 and was appointed a Director in 1996. He has over 27 years' experience in the construction industry. He is a director of HFC, a substantial Shareholder, the shares of which are listed on the SGX, and is a director of certain subsidiaries of the Company.

Mr. Cheong is brother to Messrs. Cheong Kim Pong and Cheong Pin Chuan, Patrick and Ms. Cheong Hooi Kheng, Directors and directors of HFC and Ms. Cheong Puay Kheng, senior management of the Group. Mr. Cheong is uncle to Messrs. Cheong Aik Yen, Roy, Cheong Tze Hong, Marc and Cheong Tze Hian, Howard, senior management of the Group.

As at the Latest Practicable Date, Mr. Cheong did not have any interest in the Shares within the meaning of Part XV of the SFO.

Mr. Cheong entered into a service contract with the Company for a term of three years commencing on 1 April 2012 which may be terminated by either party by written notice of not less than three months and he is subject to retirement by rotation and re-election in accordance with the Bye-Laws. The annual salary of Mr. Cheong is nil. Mr. Cheong is entitled for each year a discretionary bonus as may be decided by the Board and benefit in kind. Mr. Cheong's remuneration was determined upon negotiation between Mr. Cheong and the Company at arm's length on the basis of his performance and working experience as well as the prevailing market conditions.

On or about 16 October 2006, it has come to Mr. Cheong's attention that Sam Kee was wound up by the Court by a Winding Up Order made on 11 October 2006. As Mr. Cheong resigned as director of Sam Kee on 17 October 2005, he has no knowledge of the amount involved and the current position of such winding up proceedings as the same has not yet been commenced during his term of directorship. Before Mr. Cheong's resignation, Sam Kee's business was provision of management services.

Save as disclosed above and as at the Latest Practicable Date, Mr. Cheong had not held any other directorship in any listed companies or had any major appointment in the last three years and does not hold any other positions with the Company or other members of the Group and is not related to any Directors, senior management or substantial or controlling Shareholders.

APPENDIX I PARTICULARS OF DIRECTORS SUBJECT TO RE-ELECTION

Ms. Cheong Hooi Kheng, aged 60
Executive Director

Ms. Cheong Hooi Kheng is holder of a Bachelor of Science degree in Business Administration from the California State University, Hayward and a Master of Business Administration degree from the Chaminade University of Honolulu. She joined the Group in 1991 and is presently senior manageress of the property development division of the Group. She was appointed a non-executive Director, alternate to Madam Lim Ghee, in 2005 and an executive Director in 2011. She has over 31 years' experience in the construction industry. She is a director of HFC, a substantial Shareholder, and KTL Global Limited, the shares of which are listed on the SGX.

Ms. Cheong is sister to Messrs. Cheong Sim Eng, Cheong Kim Pong and Cheong Pin Chuan, Patrick, Directors and directors of HFC and Ms. Cheong Puay Kheng, senior management of the Group. Ms. Cheong is aunt to Messrs. Cheong Aik Yen, Roy, Cheong Tze Hong, Marc and Cheong Tze Hian, Howard, senior management of the Group.

As at the Latest Practicable Date, Ms. Cheong had the following interests in Shares within the meaning of Part XV of the SFO:

Position	Number of Shares held	Percentage
Long	2,200,000	0.08%

Ms. Cheong entered into a service contract with the Company for a term of three years commencing on 1 April 2012 which may be terminated by either party by written notice of not less than three months and she is subject to retirement by rotation and re-election in accordance with the Bye-Laws. The annual salary of Ms. Cheong is nil. Ms. Cheong is entitled for each year a discretionary bonus as may be decided by the Board and benefit in kind. Ms. Cheong's remuneration was determined upon negotiation between Ms. Cheong and the Company at arm's length on the basis of her performance and working experience as well as the prevailing market conditions. Ms. Cheong has a service contract with a wholly-owned subsidiary of the Company with a monthly salary of HK\$87,950.

Save as disclosed above and as at the Latest Practicable Date, Ms. Cheong had not held any other directorship in any listed companies or had any major appointment in the last three years and does not hold any other positions with the Company or other members of the Group and is not related to any Directors, senior management or substantial or controlling Shareholders.

The Directors confirm that save as disclosed above, there is no other information relating to their proposed re-election which needs to be disclosed pursuant to any of the requirements of paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules. Further, there are no other matters which need to be brought to the attention of the Shareholders.

APPENDIX II PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME

Set out below is a summary of the principal terms and conditions of the New Scheme to provide sufficient information to the Shareholders for their consideration of the New Scheme proposed to be adopted at the AGM.

1. DEFINITIONS

- 1.1 Capitalized terms used in this section shall have the same meaning as defined on pages 1 to 3 in this circular unless otherwise stated.

2. CONDITIONS

- 2.1 This Scheme is conditional upon:

- (a) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in any Shares to be issued by the Company pursuant to the exercise of Options in accordance with the terms and conditions of this Scheme; and
- (b) the passing of the necessary resolution to approve and adopt this Scheme in general meeting or by way of written resolutions of the Shareholder(s).

3. PURPOSE AND ADMINISTRATION

- 3.1 The purpose of this Scheme is to enable the Group to grant Options to the Eligible Participants as incentives or rewards for their contribution to the Group.
- 3.2 This scheme shall be subject to the administration of the Directors whose decision on all matters arising in relation to this Scheme or their interpretation or effect shall (save for the grant of Options referred to in paragraph 4.2 which shall be approved in the manner referred to therein and save as otherwise provided herein) be final and binding on all persons who may be affected thereby.
- 3.3 Subject to paragraphs 2 and 14, this Scheme shall be valid and effective until the Termination Date, after which period no further Options may be issued but the provisions of this Scheme shall remain in force to the extent necessary to give effect to the exercise of any Options granted or exercised prior thereto or otherwise as may be required in accordance with the provisions of this Scheme.
- 3.4 A Grantee shall ensure that the acceptance of an Offer, the holding and exercise of his Option in accordance with this Scheme, the allotment and issue of Shares to him upon the exercise of his Option and the holding of such Shares are valid and comply with all laws, legislation and regulations including all applicable exchange control, fiscal and other laws to which he is subject. The Directors may, as a condition precedent of making an Offer and allotting Shares upon an exercise of an Option, require an Eligible Participant to produce such evidence as it may reasonably require for such purpose.

4. GRANT OF OPTIONS

4.1 This Scheme will remain in force for a period of ten (10) years commencing from the Adoption Date. Subject to paragraph 4.2, the Directors shall, in accordance with the provision of this Scheme, be entitled but shall not be bound at any time within a period of ten (10) years commencing from the Adoption Date to make an Offer to any person belonging to the following classes of participants to subscribe, and no person other than the Eligible Participant named in such Offer may subscribe for such number of Shares (being a board lot for dealing in the Shares on the Stock Exchange or an integral multiple thereof) at such Subscription Price as the Directors shall, subject to paragraph 9, determine:

- (a) any Eligible Employee;
- (b) any non-executive directors (including independent non-executive directors) of the Company, any Subsidiary or any Invested Entity;
- (c) any supplier of goods or services to any member of the Group or any Invested Entity;
- (d) any customer of the Group or any Invested Entity;
- (e) any person or entity that provides research, development or other technological support to the Group or any Invested Entity;
- (f) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;
- (g) any adviser (professional or otherwise) or consultant to any area of business or business development of the Group or any Invested Entity; and
- (h) any other group or classes of Participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group,

and, for the purposes of this Scheme, the Offer may be made to any company wholly owned by one or more Eligible Participants. For the avoidance of doubt, the grant of any options by the Company for the subscription of Shares or other securities of the Group to any person who fall within any of the above classes of Eligible Participants shall not, by itself, unless the Directors otherwise determined, be construed as a grant of Option under this scheme.

4.2 The making of an Offer to any Director, chief executive or substantial Shareholder of the Company, or any of their respective associates must be approved by the independent non-executive Directors (excluding any non-executive Director who or whose associate is the proposed Grantee of an Option).

4.3 The eligibility of any of the Eligible Participants to an Offer shall be determined by the Directors from time to time on the basis of their contribution to the development and growth of the Group.

APPENDIX II PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME

- 4.4 An offer shall be made to an Eligible Participant in writing (and unless so made shall be invalid) in such form as the Directors may from time to time determine, either generally or on a case-by-case basis, specifying the number of Shares and the Option Period in respect of which the Offer is made and further requiring the Eligible Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of this Scheme and shall remain open for acceptance by the Eligible Participant concerned (and by no other person) for a period of up to 21 days from the Offer Date.
- 4.5 An Offer shall state, in addition to the matters specified in paragraph 4.4, the following:
- (a) the name, address and position of the Eligible Participant;
 - (b) the number of Shares in respect of which the Offer is made and the Subscription Price for such Shares;
 - (c) the Option Period in respect of which the Offer is made or, as the case may be, the Option Period in respect of separate parcels of Shares comprised in the Offer;
 - (d) the last date by which the Offer must be accepted (which may not be later than 21 days from the Offer Date);
 - (e) the procedure for acceptance;
 - (f) the performance target(s) (if any) that must be attained by the Eligible Participant before any Option can be exercised;
 - (g) such other terms and conditions of the Offer as may be imposed by the Directors which are not inconsistent with this Scheme; and
 - (h) a statement requiring the Eligible Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of this Scheme including, without limitation, the conditions specified in paragraphs 3.4, 6.1, 15.8 to 15.11, inclusive.
- 4.6 An Offer shall have been accepted by an Eligible Participant in respect of all Shares which are offered to such Eligible Participant when the duplicate letter comprising acceptance of the Offer duly signed by the Eligible Participant together with a remittance in favour of the Company of HK\$1 by way of consideration for the grant thereof is received by the Company within such time as may be specified in the Offer (which shall not be later than 21 days from the Offer Date). Such remittance shall in no circumstances be refundable.
- 4.7 Any Offer may be accepted by an Eligible Participant in respect of less than the number of Shares which are offered provided that it is accepted in respect of a board lot for dealing in the Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate letter comprising acceptance of the Offer duly signed by such Eligible Participant and received by

APPENDIX II PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME

the Company together with a remittance in favour of the Company of HK\$1 by way of consideration for the grant thereof within such time as may be specified in the Offer (which may not be later than 21 days from the Offer Date).

4.8 Upon an Offer being accepted by an Eligible Participant in whole or in part in accordance with paragraph 4.6 or 4.7, an Option in respect of the number of Shares in respect of which the Offer was so accepted will be deemed to have been granted by the Company to such Eligible Participant on the date of such acceptance. To the extent that the Offer is not accepted within the time specified in the Offer in the manner indicated in paragraph 4.6 or 4.7, it will be deemed to have been irrevocably declined.

4.9 The Option Period of an Option may not end later than ten (10) years after the Offer Date of that Option.

4.10 Options will not be listed or dealt in on the Stock Exchange.

4.11 For so long as the Shares are listed on the Stock Exchange:

(a) an Offer may not be made after inside information has come to its knowledge until it has announced the information. In particular, it may not grant any option during the period commencing one month immediately before the earlier of:

(i) the date of the board meeting (as such date is first notified to the Stock Exchange under the Listing Rules) for approving of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and

(ii) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement; and

(b) the Directors may not make any Offer to an Eligible Participant who is a Director during the periods or times in which the Directors are prohibited from dealing in Shares pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company.

5. SUBSCRIPTION PRICE

5.1 The Subscription Price in respect of any Option shall, subject to any adjustments made pursuant to paragraph 9, be at the discretion of the Directors, provided that it shall be not less than the higher of:

(a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet for trades in one or more board lots Shares on the Offer Date, which must be a Business Day;

APPENDIX II PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME

(b) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the Offer Date; or

(c) the nominal value of a Share.

6. EXERCISE OF OPTIONS

6.1 An Option shall be personal to the Grantee and shall not be transferable or assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest whatsoever in favour of any third party over or in relation to any Option or enter into any agreement so to do. Any breach of the foregoing by a Grantee shall entitle the Company to cancel any Option granted to such Grantee to the extent not already exercised.

6.2 Unless otherwise determined by the Directors and stated in the Offer to a Grantee, there is no minimum period required under this Scheme for the holding of an Option before it can be exercised and a Grantee is not required to achieve any performance targets before the exercise of an Option granted to him.

6.3 Subject to paragraphs 3.4 and 15.8 and the fulfillment of all terms and conditions set out in the Offer, including the attainment of any performance targets stated therein, an Option shall be exercisable in whole or in part in the circumstances and in the manner as set out in paragraphs 6.4 and 6.5 by giving notice in writing to the Company stating that the Option is thereby exercised and the number of Shares in respect of which it is so exercised (which, except where the number of Shares in respect of which the Option remains unexercised is less than one board lot or where the Option is exercised in full, must be for a board lot for dealings in Shares on the Stock Exchange or an integral multiple thereof). Each such notice must be accompanied by a remittance for the full amount of the Subscription Price for Shares in respect of which the notice is given. Within 21 days (7 days in the case of an exercise pursuant to paragraph 6.4(c) after receipt of the notice and, where appropriate, receipt of the certificate of the Auditors or the independent financial advisers pursuant to paragraph 9, the Company shall accordingly allot the relevant number of Shares to the Grantee (or, in the event of an exercise of Option by a Personal Representative pursuant to paragraph 6.4(a), to the estate of the Grantee) fully paid and issue to the Grantee (or his estate in the event of an exercise by his Personal Representative as aforesaid) a share certificate for every board lot of Shares so allotted and a share certificate for the balance (if any) of the Shares so allotted which do not constitute a board lot.

6.4 Subject as hereinafter provided, an Option may (and may only) be exercised by the Grantee at any time or times during the Option Period provided that:

(a) if the Grantee is an Eligible Employee and in the event of his ceasing to be an Eligible Employee by reason of his death, ill-health or retirement in accordance with his contract of employment before exercising the Option in full, his Personal Representative(s) or, as appropriate, the Grantee may exercise the Option (to the extent not already exercised) in whole or in part in accordance with the provisions of paragraph 6.3 within a period of 12 months following the date of cessation of employment which date shall be the last day on which the Grantee was at work with the Company or the

relevant Subsidiary or the Invested Entity whether salary is paid in lieu of notice or not, or such longer period as the Directors may determine or, if any of the events referred to in paragraph 6.4(c) or 6.4(d) occur during such period, exercise the Option pursuant to paragraph 6.4(c) or 6.4(d) respectively;

- (b) if the Grantee is an Eligible Employee and in the event of his ceasing to be an Eligible Employee for any reason other than his death, ill-health or retirement in accordance with his contract of employment or the termination of his employment on one or more of the grounds specified in paragraph 7.1(c) before exercising the Option in full, the Option (to the extent not already exercised) shall lapse on the date of cessation or termination and not be exercisable unless the Directors otherwise determine in which event the Grantee may exercise the Option (to the extent not already exercised) in whole or in part in accordance with the provisions of paragraph 6.3 within such period as the Directors may determine following the date of such cessation or termination or, if any of the events referred to in paragraph 6.4(c) or 6.4(d) occur during such period, exercise the Option pursuant to paragraph 6.4(c) or 6.4(d) respectively. The date of cessation or termination as aforesaid shall be the last day on which the Grantee was actually at work with the Company or the relevant Subsidiary or the Invested Entity whether salary is paid in lieu of notice or not;
- (c) if a general or partial offer, whether by way of take-over offer, share re-purchase offer, or scheme of arrangement or otherwise in like manner is made to all the holders of the Shares, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, the Company shall use all reasonable endeavours to procure that such offer is extended to all the Grantees on the same terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the Options granted to them, shareholders of the Company. If such offer becomes or is declared unconditional or such scheme of arrangement is formally proposed to shareholders in the Company, the Grantee shall, notwithstanding any other terms on which his Options were granted, be entitled to exercise the Option (to the extent not already exercised) to its full extent or to the extent specified in the Grantee's notice to the Company in accordance with the provisions of paragraph 6.3 at any time thereafter and up to the close of such offer (or any revised offer) or the record date for entitlements under scheme of arrangement, as the case may be; and
- (d) in the event of an effective resolution being proposed for the voluntary winding-up of the Company during the Option Period, the Grantee may, subject to the provisions of all applicable laws, by notice in writing to the Company at any time prior to the date on which such resolution is passed, exercise his Option (to the extent not already exercised) either to its full extent or to the extent specified in such notice in accordance with the provisions of paragraph 6.3 and shall accordingly be entitled, in respect of the Shares falling to be allotted and issued upon the exercise of his Option, to participate in the distribution of the assets of the Company available in liquidation *pari passu* with the holders of the Shares in issue on the day prior to the date of such resolution.

- 6.5 Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the Bye-Laws for the time being in force and will rank pari passu in all respects with the then existing fully paid Shares in issue on the date on which the Option is duly exercised or, if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members (“**Exercise Date**”) and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or made on or after the Exercise Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the Exercise Date. A share allotted upon the exercise of an Option shall not carry voting rights until the name of the Grantee has been duly entered on the register of members of the Company as the holder thereof.

7. EARLY TERMINATION OF OPTION PERIOD

- 7.1 The Option Period in respect of any Option shall automatically terminate and that Option (to the extent not already exercised) shall lapse on the earliest of:
- (a) the expiry of the Option Period;
 - (b) the expiry of any of the periods referred to in paragraph 6.4;
 - (c) in respect of a Grantee who is an Eligible Employee, the date on which the Grantee ceases to be an Eligible Employee by reason of a termination of his employment on the grounds that he has been guilty of persistent or serious misconduct, or has committed any act of bankruptcy or has become insolvent or has made any arrangement or composition with his creditors generally, or has been convicted of any criminal offence (other than an offence which in the opinion of the Directors does not bring the Grantee or the Group into disrepute);
 - (d) in respect of a Grantee other than an Eligible Employee, the date on which the Directors shall at their absolute discretion determine that (i) the Grantee or his associate has committed any breach of any contract entered into between the Grantee or his associate on the one part and the Group or any Invested Entity on the other part or that the Grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his creditors generally; and (ii) the Option shall lapse; and
 - (e) the date on which the Directors shall exercise the Company’s right to cancel the Option by reason of a breach of paragraph 6.1 by the Grantee in respect of that or any other Option.
- 7.2 A resolution of the Directors to the effect that the employment of a Grantee has or has not been terminated on one or more of the grounds specified in paragraph 7.1(c) or that any event referred to in paragraph 7.1(d)(i) has occurred shall be conclusive.

8. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- 8.1 The maximum number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under this Scheme and any other share option schemes adopted by the Group shall not exceed 30 per cent. of the Shares in issue from time to time. No options may be granted under this Scheme or any other share option scheme adopted by the Group if the grant of such option will result in the limit referred to in this paragraph 8.1 being exceeded.
- 8.2 The total number of Shares which may be issued upon exercise of all Options (excluding, for this purpose, options which have lapsed in accordance with the terms of this Scheme and any other share option scheme of the Group) to be granted under this Scheme and any other share option scheme of the Group must not in aggregate exceed 10 per cent. of the Shares in issue as at the date of approval of this Scheme (“**General Scheme Limit**”) provided that:
- (a) subject to paragraph 8.1 and without prejudice to paragraph 8.2(b), the Company may seek approval of its shareholders in general meeting to refresh the General Scheme Limit provided that the total number of Shares which may be issued upon exercise of all Options to be granted under this Scheme and any other share option scheme of the Group must not exceed 10 per cent. of the Shares in issue as at the date of approval of the limit and for the purpose of calculating the limit, options (including those outstanding, cancelled, lapsed or exercised in accordance with this Scheme and any other share option scheme of the Group) previously granted under this Scheme and any other share option scheme of the Group will not be counted; and
 - (b) subject to paragraph 8.1 and without prejudice to paragraph 8.2(a), the Company may seek separate Shareholders’ approval at general meeting to grant Options under this Scheme beyond the General Scheme Limit or, if applicable, the extended limit referred to in paragraph 8.2(a) to Eligible Participants specifically identified by the Company before such approval is sought.
- 8.3 Subject to paragraph 8.4, the total number of Shares issued and which may fall to be issued upon exercise of the Options and the options granted under any other share option scheme of the Group (including both exercised or outstanding options) to each Grantee in any 12-month period shall not exceed 1 per cent. of the issued share capital of the Company for the time being. Where any further grant of Options to a Grantee under this Scheme would result in the Shares issued and to be issued upon exercise of all options granted and proposed to be granted to such person (including exercised, cancelled and outstanding options) under this Scheme and any other share option schemes of the Group in the 12-month period up and including the date of such further grant representing in aggregate over 1 per cent. of the Shares in issue, such further grant must be separately approved by shareholders of the Company at general meeting with such Grantee and his associates abstaining from voting.
- 8.4 Any grant of Options under this Scheme to a Director, chief executive or substantial shareholder of the Company or any of their respective associates must be approved by the independent non-executive Directors (excluding any

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independent non-executive Director who is the Grantee). Where any grant of Options to a substantial Shareholder or an independent non-executive Director or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (a) representing in aggregate over 0.1 per cent. of the Shares in issue; and
- (b) having an aggregate value, based on the closing price of the Shares at the Offer Date of each Offer, in excess of HK\$5 million;

such further grant of options must be approved by shareholders of the Company.

8.5 For the purpose of seeking the approval of the shareholders of the Company under paragraphs 8.2, 8.3 and 8.4, the Company must send a circular to the Shareholders containing the information required under the Listing Rules and where the Listing Rules shall so require, the vote at the Shareholders' meeting convened to obtain the requisite approval shall be taken on a poll with those persons required under the Listing Rules abstaining from voting.

8.6 Any change in the terms of Options granted to a substantial shareholder or an independent non-executive director of the Company, or any of their respective associates must be approved by the shareholders of the Company at general meeting.

9. ADJUSTMENTS TO THE SUBSCRIPTION PRICE

9.1 In the event of any alteration in the capital structure of the Company whilst any Option remains exercisable or this Scheme remains in effect, and such event arises from a capitalisation of profits or reserves, rights issue, consolidation, sub-division or reduction of the share capital of the Company or otherwise howsoever, then, in any such case the Company shall instruct the Auditors or an independent financial adviser to certify in writing the adjustment, if any, that ought in their opinion fairly and reasonably to be made either generally or as regards any particular Grantee, to:

- (a) the number or nominal amount of Shares to which this Scheme or any Option(s) relates (insofar as it is/they are unexercised); and/or
- (b) the Subscription Price of any Option; and/or
- (c) (unless the relevant Grantee elects to waive such adjustment) the number of Shares comprised in an Option or which remain comprised in an Option,

and an adjustment as so certified by the Auditors or such independent financial adviser shall be made, provided that:

- (a) any such adjustment shall give the Grantee the same proportion of the issued share capital of the Company for which such Grantee would have been entitled to subscribe had he exercised all the Options held by him immediately prior to such adjustment;

- (b) no such adjustment shall be made the effect of which would be to enable a Share to be issued at less than its nominal value;
- (c) the issue of Shares or other securities of the Group as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustment.

In respect of any adjustment referred to in this paragraph 9.1, other than any made on a capitalization issue, the Auditors or such independent financial adviser must confirm to the Director in writing that the adjustments satisfy the requirements of the relevant provisions of the Listing Rules.

- 9.2 If there has been any alteration in the capital structure of the Company as referred to in paragraph 9.1, the Company shall, upon receipt of a notice from a Grantee in accordance with paragraph 6.3, inform the Grantee of such alteration and shall either inform the Grantee of the adjustment to be made in accordance with the certificate of the Auditors or the independent financial adviser obtained by the Company for such purpose or, if no such certificate has yet been obtained, inform the Grantee of such fact and instruct the Auditors or the independent financial adviser as soon as practicable thereafter to issue a certificate in that regard in accordance with paragraph 9.1.
- 9.3 In giving any certificate under this paragraph 9, the Auditors or the independent financial adviser appointed under paragraph 9.1 shall be deemed to be acting as experts and not as arbitrators and their certificate shall, in the absence of manifest error, be final, conclusive and binding on the Company and all persons who may be affected thereby.

10. CANCELLATION OF OPTIONS

- 10.1 Subject to paragraph 6.1 and Chapter 17 of the Listing Rules, any Option granted but not exercised may not be cancelled except with the approval of the Directors.
- 10.2 When the Company cancels any Option granted to a Grantee but not exercised and issues new Option(s) to the same Grantee, the issue of such new Option(s) may only be made with available unissued Options (excluding the Options so cancelled) within the General Scheme Limit or the new limits approved by the Shareholders pursuant to paragraph 8.2.

11. SHARE CAPITAL

- 11.1 The exercise of any Option shall be subject to the members of the Company at general meeting approving any necessary increase in the authorized share capital of the Company. Subject thereto, the Directors shall make available sufficient authorized but unissued share capital of the Company to allot the Shares on the exercise of any Option.

12. DISPUTES

- 12.1 Any dispute arising in connection with the number of Shares, the subject of an Option, or any adjustment under paragraph 9.1 shall be referred to the decision of the Auditors who shall act as experts and not as arbitrators and whose decision shall, in the absence of manifest error, be final, conclusive and binding on all persons who may be affected thereby.

13. ALTERATION OF THIS SCHEME

- 13.1 Subject to paragraphs 13.2 and 13.4 this Scheme may be altered in any respect by a resolution of the Directors except that:

- (a) the provisions of this Scheme as to the definitions of “Eligible Participants”, “Grantee”, “Option Period” and “Termination Date” in paragraph 1.1;
- (b) the provisions of this Scheme relating to the matters governed by Rule 17.03 of the Listing Rules;

shall not be altered to the advantage of Grantees except with the prior sanction of a resolution of the Company in general meeting, provided that no such alteration shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the Grantees as would be required of the holders of the Shares under the bye-laws for the time being of the Company for a variation of the rights attached to the Shares.

- 13.2 Subject to paragraph 13.3, any alterations to the terms and conditions of this Scheme which are of a material nature or any change of the terms of Options shall be approved by the Shareholders in general meeting except where the alterations take effect automatically under the existing terms of this Scheme.

- 13.3 Any change to the authority of the Directors or the administrators of this Scheme in relation to any alteration to the terms of this Scheme must be approved by the Shareholders at general meeting.

- 13.4 The terms of this Scheme and/or any Options amended pursuant to this paragraph 13 must comply with the applicable requirements of the Listing Rules.

14. TERMINATION

- 14.1 The Company by resolution at general meeting may at any time terminate the operation of this Scheme and in such event no further Options will be offered but in all other respects the provisions of this Scheme shall remain in force to the extent necessary to give effect to the exercise of any Options (to the extent not already exercised) granted prior thereto or otherwise as may be required in accordance with the provisions of this Scheme and Options (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with this Scheme.

15. MISCELLANEOUS

- 15.1 This Scheme shall not form part of any contract of employment between the Company, any Subsidiary or any Invested Entity and any Eligible Employee and the rights and obligations of any Eligible Employee under the terms of his office or employment shall not be affected by his participation in this Scheme or any right which he may have to participate in it and this Scheme shall afford such an Eligible Employee no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason.
- 15.2 This Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against the Company directly or indirectly or give rise to any cause of action at law or in equity against the Company.
- 15.3 The Company shall bear the costs of establishing and administering this Scheme, including any costs of the Auditors or any independent financial adviser in relation to the preparation of any certificate by them or provision of any other service in relation to this Scheme.
- 15.4 A Grantee shall be entitled to receive copies of all notices and other documents sent by the Company to holders of the Shares at the same time or within a reasonable time of any such notices or documents being sent to holders of Shares.
- 15.5 Any notice or other communication between the Company and a Grantee may be given by sending the same by prepaid post or by personal delivery to, in the case of the Company, its principal place of business in Hong Kong and, in the case of the Grantee, his address in Hong Kong as notified to the Company from time to time or, if none or incorrect or out of date, his last place of employment with the Company or the Company's principal place of business in Hong Kong from time to time.
- 15.6 Any notice or other communication if sent by the Grantee shall be irrevocable and shall not be effective until actually received by the Company.
- 15.7 Any notice or other communication if sent to the Grantee shall be deemed to be given or made:
- (a) one (1) day after the date of posting, if sent by mail; and
 - (b) when delivered, if delivered by hand.
- 15.8 A Grantee shall, before accepting an Offer or exercising his Option, obtain all necessary consents that may be required to enable him to accept the Offer or to exercise the Option and the Company to allot and issue to him in accordance with the provisions of this Scheme the Shares falling to be allotted and issued upon the exercise of his Option. By accepting an Offer or exercising his Option, the Grantee thereof is deemed to have represented to the Company that he has obtained all such consents. Compliance with this paragraph shall be condition precedent to an acceptance of an Offer by a Grantee and an exercise by a grantee of his Options.

APPENDIX II PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME

- 15.9 A Grantee shall pay all tax and discharge all other liabilities to which he may become subject as a result of his participation in this Scheme or the exercise of any Option.
- 15.10 By accepting an Offer, an Eligible Participant shall be deemed irrevocably to have waived any entitlement, by way of compensation for loss of office or otherwise howsoever, to any sum or other benefit to compensate him for loss of any rights under this Scheme.
- 15.11 This Scheme and all Options granted hereunder shall be governed by and construed in accordance with the laws of Hong Kong.

NOTICE OF ANNUAL GENERAL MEETING



WINFOONG INTERNATIONAL LIMITED

(榮豐國際有限公司*)

(Incorporated in Bermuda with limited liability)

(Stock code: 63)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of the Company will be held at Falcon Room II, Gloucester Luk Kwok Hong Kong, 72 Gloucester Road, Wanchai, Hong Kong on 25 June 2013 at 11:00 a.m. for the following purposes:

- (1) To receive and consider the statement of accounts and the reports of the directors and the auditor for the year ended 31 December 2012.
- (2) To re-elect the retiring directors and to authorise the board of directors to fix the remuneration of the directors of the Company.
- (3) To re-appoint auditor and to authorise the board of directors to fix their remuneration.

To consider and, if thought fit, pass, with or without amendments, the following resolutions as ordinary resolutions (“Ordinary Resolutions”):

ORDINARY RESOLUTIONS

- (4)A. “**THAT** there be granted to the directors of the Company an unconditional general mandate to repurchase shares of HK\$0.05 each in the capital of the Company and that the exercise by the directors of the Company of all powers of the Company to purchase shares of the Company on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) or on any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws, be and are hereby generally and unconditionally approved, subject to the following conditions:
 - (a) such mandate shall not extend beyond the Relevant Period (as hereinafter defined);
 - (b) the aggregate nominal amount of share capital of the Company to be purchased by the directors of the Company 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 passing this Resolution;

NOTICE OF ANNUAL GENERAL MEETING

- (c) for the purposes of this Resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws of Bermuda to be held; and
- (iii) the revocation or variation of this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

- (4)B. **“THAT** there be granted to the directors of the Company an unconditional general mandate to issue, allot and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options including warrants, bonds and debentures convertible into shares in respect thereof, subject to the following conditions:

- (a) such mandate shall not extend beyond the Relevant Period (as hereinafter defined) save that the directors of the Company may during the Relevant Period make or grant offers, agreements and options including warrants, bonds and debentures convertible into shares which might require the exercise of such powers after the end of the Relevant Period;
- (b) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally, to be allotted (whether pursuant to an option or otherwise) and issued by the directors of the Company pursuant to sub-paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) the exercise of rights of subscription or conversion attaching to any warrants issued by the Company or any securities which are convertible into shares of the Company; (iii) any issue of shares in the Company under any option scheme 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 shares; and (iv) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares in accordance with the bye-laws of the Company in force from time to time; shall not exceed 20 per cent. of the aggregate nominal amount of the issued share capital of the Company in issue on the date of passing this Resolution and the approval granted shall be limited accordingly; and

- (c) for the purpose of this Resolution:

“Relevant Period” means the period from the date of passing this Resolution until whichever is the earlier 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 bye-laws of the Company or any applicable laws of Bermuda to be held; and
- (iii) the revocation or variation of this Resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to 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 having regard to any restriction or obligation under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, or in any territory outside, Hong Kong).”

- (4)C. “**THAT** conditional upon the passing of the Resolutions Nos. (4)A and (4)B above, the aggregate nominal amount of the shares in the capital of the Company which are repurchased by the Company pursuant to and in accordance with the Resolution No. (4)A above shall be added to the aggregate nominal amount of the share capital of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to and in accordance with the Resolution No. (4)B above.”

- (5) “**THAT** subject to and conditional upon the Stock Exchange granting the listing of, and permission to deal in, such number of shares of the Company which may fall to be allotted and issued pursuant to the exercise of the option which may be granted under the rules of the new share option scheme (the “New Scheme”), a draft of which is produced to the meeting and signed by the chairman of the meeting for the purpose of identification, representing an amount (the “General Scheme Limit”) up to 10 per cent. of the issued shares of the Company as at the day on which this resolution is passed, with effect from the close of business of the day on which this resolution is passed, the rules of the New Scheme be approved and adopted and the directors of the Company be and they are hereby authorised:

- (a) to approve any amendments to the rules of the New Scheme as may be acceptable or not objected to by the Stock Exchange;
- (b) at their absolute discretion to grant options to subscribe for shares of the Company in accordance with the rules of the New Scheme;
- (c) to allot, issue and deal with shares of the Company pursuant to the exercise of options granted under the New Scheme provided that the aggregate nominal amount of shares which fall to be allotted and issued pursuant to this authority, together with any issue of shares of the Company upon the exercise of any options granted under any other share option scheme as may from time to time be adopted by the Company or its subsidiaries, shall not exceed the General Scheme Limit; and

NOTICE OF ANNUAL GENERAL MEETING

- (d) to take all such steps as may be necessary, desirable or expedient to carry the New Scheme into effect.”

By Order of the Board
Winfoong International Limited
Cheong Pin Chuan, Patrick
Chairman

Hong Kong, 30 April 2013

Notes:

1. A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Company.
2. Concerning Resolution No. (4)B. above, the directors of the Company wish to state that they have no immediate plans to issue any new shares of the Company but approval is being sought from the members as a general mandate for the purpose of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).
3. The register of members of the Company will be closed from 21 June 2013 to 25 June 2013, both days inclusive, for the purpose of establishing entitlement of shareholders to vote at the meeting. During this period, no transfer of shares will be effected. All transfers of shares accompanied by the relevant share certificates must be lodged with the Company’s branch registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 20 June 2013.
4. Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.
5. In accordance with Bye-law 87(1) of the Company’s bye-laws, Mr. Cheong Pin Chuan, Patrick, Mr. Cheong Sim Eng and Ms. Cheong Hooi Kheng will retire by rotation and, being eligible, will offer themselves for re-election.
6. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.

As at the date of this statement, the Board comprises (i) four executive directors, namely Messrs. Cheong Pin Chuan, Patrick, Cheong Kim Pong and Cheong Sim Eng and Ms. Cheong Hooi Kheng; (ii) three independent non-executive directors, namely Messrs. Chan Yee Hoi, Robert, Leung Wing Ning and Kwik Sam Aik.