
IMPORTANT

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



king fook holdings limited 景福集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code : 280)

Directors:

Yeung Ping Leung, Howard (*Chairman*)
Tang Yat Sun, Richard (*Vice Chairman*)
Cheng Ka On, Dominic
Yeung Bing Kwong, Kenneth
Fung Chung Yee, Caroline
Sin Wai Kin, Dr.*
Wong Wei Ping, Martin*
Ho Hau Hay, Hamilton*
Sin Nga Yan, Benedict*
Lau To Yee**
Cheng Kar Shing, Peter**
Chan Chak Cheung, William**

Registered office:

9th Floor
King Fook Building
30–32 Des Voeux Road Central
Hong Kong

* Non-executive directors

** Independent non-executive directors

31st July, 2006

To the shareholders

Dear Sir or Madam,

PROPOSALS RELATING TO GENERAL MANDATE TO ISSUE SHARES AND AMENDMENT OF ARTICLES OF ASSOCIATION NOTICE OF ANNUAL GENERAL MEETING AND RE-ELECTION OF DIRECTORS

INTRODUCTION

At the annual general meeting of King Fook Holdings Limited (the “Company”) for the year ended 31st March, 2006, resolutions will be proposed to grant to the directors of the Company a general mandate to issue shares of the Company and to amend the Articles of Association of the Company.

IMPORTANT

The purpose of this circular is to give you further details of the abovementioned proposals and notice of the annual general meeting of the Company for the year ended 31st March, 2006 (the “AGM”), together with particulars of the directors proposed to be re-elected at the AGM.

GENERAL MANDATE TO ISSUE SHARES

At the AGM, an ordinary resolution will be proposed to grant a general mandate to the directors of the Company to allot, issue and dispose of shares of the Company not exceeding 20 per cent. of the issued share capital of the Company to provide flexibility to the Company to raise fund by issue of shares efficiently. On 25th July, 2006, being the latest practicable date prior to the printing of this circular, there were in issue an aggregate of 435,071,650 shares of HK\$0.25 each of the Company (“Shares”). On the assumption that no Share will be issued prior to the AGM, exercise in full of the mandate could result in up to 87,014,330 Shares being issued by the Company.

AMENDMENT OF ARTICLES OF ASSOCIATION

It is proposed to amend the Company’s Articles of Association in the following manner in order to comply with the requirements of Appendices 3 and 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”):

- (a) the Company in general meeting shall have power to remove a director by ordinary resolution instead of special resolution; and
- (b) all directors of the Company shall be subject to retirement by rotation at least once every three years.

ANNUAL GENERAL MEETING

You will find on pages 5 to 7 of this circular a notice of the AGM to be held at 12:00 noon on 31st August, 2006 at Miramar Ballroom, Hotel Miramar Penthouse, 130 Nathan Road, Kowloon, Hong Kong.

Resolution no. 5A will be proposed as an ordinary resolution to give a general mandate to the directors to allot, issue and deal with shares of the Company with an aggregate nominal value not exceeding 20 per cent. of the share capital of the Company in issue as at the date of the resolution.

Resolution no. 5B will be proposed as a special resolution to approve the proposed amendment of the Articles of Association of the Company.

There is enclosed a form of proxy for use at the AGM. You are requested to complete the form of proxy and return it to the registered office of the Company in accordance with the instructions printed thereon not less than 48 hours before the time fixed for holding the AGM, whether or not you intend to be present at the AGM. The completion and return of the form of proxy will not prevent you from attending and voting in person should you so wish.

IMPORTANT

RIGHT OF SHAREHOLDERS TO DEMAND POLL

According to the Articles of Association of the Company, before or on the declaration of the result of voting on a show of hands on a resolution at the AGM, a poll may be demanded by:

- (a) 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 entitled to vote at the AGM; or
- (b) any 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 10% of the total voting rights of all the members having the right to vote at the AGM; or
- (c) any 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 AGM 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.

RE-ELECTION OF DIRECTORS

Resolutions will be proposed at the AGM for re-election of Mr. Cheng Ka On, Dominic, Mr. Cheng Kar Shing, Peter, Mr. Wong Wei Ping, Martin and Mr. Sin Nga Yan, Benedict as directors according to the Company's Articles of Association. Their particulars are as follows:

Mr. Cheng Ka On, Dominic, aged 56, is an executive director of the Company, King Fook Jewellery Group Limited and King Fook Gold & Jewellery Company Limited, two wholly owned subsidiaries of the Company. Mr. Cheng is a director and a shareholder of Miramar Hotel and Investment Company, Limited, which is a substantial shareholder of the Company. He is the managing director of the Onflo International Group of Companies. He has no relationship with any directors or senior management of the Company. Mr. Cheng has personal interest and a family interest of 4,020,000 shares and 15,000 shares respectively in the Company within the meaning of Part XV of the Securities & Futures Ordinance ("SFO"). He was appointed director of the Company in 1987.

Mr. Cheng Kar Shing, Peter, aged 53, is an independent non-executive director of the Company and King Fook Gold & Jewellery Company Limited, a wholly owned subsidiary of the Company. Mr. Cheng is a director of New World Development Company Limited and NWD (Hotels Investments) Limited. He is also an executive director of New World China Land Limited. He has no relationship with any directors, senior management or substantial or controlling shareholders of the Company. He has no interest in the shares of the Company within the meaning of Part XV of the SFO. He was appointed independent non-executive director of the Company in 1997.

Mr. Wong Wei Ping, Martin, aged 63, is a non-executive director of the Company. Mr. Wong is a director of Citizen Thunderbird Travel Limited, Columbia Express Limited and Pinon Limited. Mr. Wong is the brother-in-law of Mr. Yeung Ping Leung, Howard (Chairman of the Company) and Mr. Yeung Bing Kwong, Kenneth (an executive director of the Company). He has no relationship with any substantial or controlling shareholders of the Company. He has no interest in the shares of the Company within the meaning of Part XV of the SFO. He was appointed director of the Company in 2000.

IMPORTANT

Mr. Sin Nga Yan, Benedict, aged 42, is a non-executive director of the Company. He is a director and general manager of Myer Jewelry Manufacturer Limited and a consultant of So Keung Yip & Sin, Solicitors & Notaries. Mr. Sin is an associate of the Australian Society of Certified Practising Accountants, a solicitor of each of the Supreme Court of New South Wales, Australia, the Supreme Court of England and Wales and the High Court of Hong Kong. Mr. Sin is also a committee member of the Jewellery Advisory Committee of the Hong Kong Trade Development Council, a permanent honorary director of The Federation of Hong Kong Watch Trades & Industries Limited, a director of the Council of Management and the head of Exhibition & Overseas Affairs Committee of Hong Kong Jewellery & Jade Manufacturers Association, and a member of the Assembly of General Committee and an executive committee member of Hong Kong Jewelry Manufacturers' Association. Save for being the son of Dr. Sin Wai Kin, a non-executive director of the Company, Mr. Sin has no relationship with any directors, senior management or substantial or controlling shareholders of the Company. He has no interests in the shares of the Company within the meaning of Part XV of the SFO.

The above directors do not have any service contract with the Company. They are not appointed for a specific term but are subject to retirement by rotation and re-election in annual general meetings of the Company in accordance with the Articles of Association of the Company.

Mr. Cheng Ka On, Dominic, Mr. Cheng Kar Shing, Peter and Mr. Wong Wei Ping, Martin received directors' emoluments/fees from the Group for the year ended 31st March, 2006 in the sum of HK\$16,000, HK\$12,000 and HK\$10,000 respectively. Their emoluments are determined based on the policy of the Group that director's fee per annum for an executive director of the Company is fixed at HK\$12,000, a non-executive director of the Company at HK\$10,000 and a director of an active subsidiary of the Company at HK\$2,000. Mr. Sin Nga Yan, Benedict was appointed a non-executive director of the Company on 4th July, 2006. His emoluments will be determined by the remuneration committee of the Company in early 2007.

The above directors confirm that save as disclosed above, there is no information which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and there is no other matters that need to be brought to the attention of shareholders of the Company.

RECOMMENDATION

The directors consider that the proposed granting of the mandate to issue shares of the Company and amendment of the Articles of Association are in the interest of the Company and so recommend you to vote in favour of all the relevant resolutions at the AGM. The directors will vote all their shareholdings in favour of such resolutions.

By order of the Board
Yeung Ping Leung, Howard
Chairman

NOTICE OF ANNUAL GENERAL MEETING



king fook holdings limited 景福集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code : 280)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of the abovenamed company (the “Company”) will be held at Miramar Ballroom, Hotel Miramar Penthouse, 130 Nathan Road, Kowloon, Hong Kong on 31st August, 2006 at 12:00 noon for the following purposes:

1. To receive and consider the audited financial statements and the reports of the directors and auditors for the year ended 31st March, 2006.
2. To declare a final dividend of HK0.8 cent per share for the year ended 31st March, 2006.
3. To elect directors and to authorise the board of directors to fix the directors’ remuneration.
4. To appoint auditors and to authorise the board of directors to fix their remuneration.
5. As special business, to consider and, if thought fit, pass the following resolutions, of which resolution no. 5A will be proposed as an ordinary resolution and resolution no. 5B will be proposed as a special resolution:

ORDINARY RESOLUTION

A. “THAT:

- (a) subject to paragraph (c), the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
- (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 of the Company pursuant to the approval in paragraph (a), otherwise than pursuant to a Rights Issue or scrip dividend scheme or similar arrangement of the Company or the exercise of the subscription rights under

NOTICE OF ANNUAL GENERAL MEETING

the share option scheme 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 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 Articles of Association of the Company or any applicable law 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; and

“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 exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

SPECIAL RESOLUTION

B. “THAT:

(a) the first sentence of Article 116 of the Articles of Association of the Company be and is hereby deleted and be replaced by the following:

“At each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation so that each Director shall be subject to retirement at least once every three years.”

(b) the word “special” in Article 122 of the Articles of Association of the Company be and is hereby deleted and be replaced by the word “ordinary”.”

By Order of the Board
Cheung Kit Man, Melina
Company Secretary

Hong Kong, 31st July, 2006

NOTICE OF ANNUAL GENERAL MEETING

Registered office:

9th Floor
King Fook Building
30–32 Des Voeux Road Central
Hong Kong

Notes:

- (1) A member entitled to attend and vote at the meeting convened by the above notice (the “Meeting”) is entitled to appoint not more than two proxies (except a member who is a clearing house or its nominee may appoint more than two proxies) to attend and vote in his stead. A proxy need not be a member of the Company. In order to be valid, the form of proxy must be deposited at the Company’s registered office together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, not less than 48 hours before the time appointed for holding the Meeting or adjourned Meeting.
- (2) The register of members of the Company will be closed from 28th August, 2006 to 31st August, 2006, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the final dividend proposed to be approved at the Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company’s share registrars, Computershare Hong Kong Investor Services Limited, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong not later than 4:00 p.m. on 25th August, 2006.

This page is intentionally left blank