

**IMPORTANT**

If you are in any doubt about this circular or as to the action to be taken, you should consult your stockbroker, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Pearl River Tyre (Holdings) Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**PEARL RIVER TYRE (HOLDINGS) LIMITED**

*(Registered in Bermuda with limited liability)*

**(Stock Code: 1187)**

**CIRCULAR ON  
GENERAL MANDATE TO ISSUE NEW SHARES AND  
REPURCHASE SHARES,  
THE RE-ELECTION OF DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the Fifteenth Annual General Meeting ("15th AGM") together with the form of proxy for use thereat are enclosed with this circular.

Whether or not you are able to attend the 15th AGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, 46/F Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and, in any event, not less than 48 hours before the time appointed for the holding of the 15th AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the 15th AGM or any adjournment thereof should you so wish.

29 April 2009

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### RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

## DEFINITIONS

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

|                            |   |
|----------------------------|---|
| “15th AGM”                 | the Fifteenth Annual General Meeting of the Company to be held on Friday, 19 June 2009 at 10:00 a.m. the notice of which is set out on page 6 to 9 of this circular |
| “AUD”                      | Australian Dollars  |
| “Board” or “Directors”     | the directors of the Company  |
| “Bye-laws”                 | the bye-laws of the Company   |
| “Company”                  | Pearl River Tyre (Holdings) Limited   |
| “HK\$”                     | Hong Kong dollars   |
| “Hong Kong”                | the Hong Kong Special Administrative Region of the People’s Republic of China   |
| “Issued Share Capital”     | the issued ordinary share capital of the Company on the Latest Practicable Date   |
| “Latest Practicable Date”  | 17 April 2009, being the latest practicable date for ascertaining certain information for inclusion in this circular  |
| “Listing Rules”            | the Rules Governing the Listing of Securities on the Stock Exchange   |
| “Share(s)”                 | the ordinary shares of AUD 0.20 each in the capital of the Company  |
| “Stock Exchange” or “SEHK” | The Stock Exchange of Hong Kong Limited   |



## PEARL RIVER TYRE (HOLDINGS) LIMITED

*(Registered in Bermuda with limited liability)*

**(Stock Code: 1187)**

*Chairman and Non-Executive Director:*

Mr Goh Nan Kioh

*Executive Director:*

Mr Goh Nan Yang

*Non-Executive Director:*

Mr Yeoh Eng Khoon

*Independent Non-Executive Directors:*

Mr Khoo Teng Keat

Mr Yeow See Yuen

Mr Won Thean Sang

*Registered office:*

Bermuda Commercial Bank Building  
19 Par-la-Ville Road

Hamilton HM 11

Bermuda

*Principal place of business:*

Unit B, 9/F

Empire Land Commercial Center

81-85 Lockhart Road

Wanchai, Hong Kong

29 April 2009

*To the Shareholders*

Dear Sirs or Mesdames,

**CIRCULAR ON  
GENERAL MANDATE TO ISSUE NEW SHARES AND  
REPURCHASE SHARES,  
THE RE-ELECTION OF DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this letter is to provide Shareholders with information regarding the proposals to grant to the Directors of the Company, general mandates to issue and repurchase Shares and the Re-election of Directors at the 15th AGM. Set out in Appendix 1 of this circular is the Notice of the 15th AGM at which Shareholders will be requested to consider and, if they think fit, adopt resolutions in relation to the grant of general mandates to issue and repurchase Shares and certain other resolutions as ordinary businesses of the 15th AGM.

## LETTER FROM THE BOARD

### 2. GENERAL MANDATE TO ISSUE SHARES

At the last Annual General Meeting of the Company held on 30 May 2008, the Directors were granted a general mandate to allot, issue and deal with additional Shares up to a maximum of 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution.

As part of the special businesses of the 15th AGM, Shareholders are asked to consider and if thought fit, to pass an ordinary resolution as set out in resolution 6 in the Notice of 15th AGM to renew the mandate to give the Directors power to allot, issue and deal with additional Shares with an aggregate nominal value not exceeding 20% of the share capital of the Company as at the date of passing of the resolution, which represents 21,023,256 Shares. As at the Latest Practicable Date, a total 105,116,280 Shares were in issue. Subject to Shareholders granting the Directors the general mandate to repurchase Shares as described below, Shareholders are also asked to extend the general mandate to issue Shares by an amount representing the aggregate nominal amount of the Shares repurchased by the Company under the general mandate to repurchase Shares such that the amount of Shares so repurchased does not exceed 7.71% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the resolution.

In accordance with the Listing Rules, Appendix 2 to this letter serves as an explanatory memorandum to provide Shareholders with all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the resolution to be proposed at the 15th AGM to renew the mandate to allow the Directors to issue Shares.

### 3. GENERAL MANDATE TO REPURCHASE SHARES

At the last Annual General Meeting of the Company held on 30 May 2008, the Directors were granted a general mandate to repurchase shares of the Company up to an aggregate nominal value not exceeding 6.67% of the aggregate nominal amount value of Shares in issue as at the date of passing of the relevant resolution.

As part of the special businesses of the 15th AGM, Shareholders are asked to consider and if thought fit, to pass an ordinary resolution as set out in resolution 5 in the Notice of the 15th AGM to renew the mandate to give the Directors power to repurchase Shares up to an aggregate nominal value not exceeding 7.71% of the aggregate nominal value of Shares as at the date of passing of the resolution. Based on the 105,116,280 Shares issued as at the Latest Practicable Date and assuming no Shares are issued or repurchased before the 15th AGM, the Company would therefore be allowed under this mandate to repurchase a maximum of 8,109,444 Shares.

In accordance with the Listing Rules, Appendix 2 to this letter serves as an explanatory memorandum to provide Shareholders with all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the resolution to be proposed at the 15th AGM to renew the mandate to allow the Directors to repurchase Shares.

## LETTER FROM THE BOARD

#### 4. ANNUAL GENERAL MEETING

Set out in Appendix 1 to this circular is the Notice of 15th AGM to convene the 15th AGM to be held at No. 15 Bukit Ledang, Off Jalan Duta, 50480 Kuala Lumpur, Malaysia on Friday, 19 June 2009 at 10:00 a.m. to consider certain resolutions as ordinary and special businesses of the 15th AGM.

#### 5. RE-ELECTION OF DIRECTORS

In relation to ordinary resolutions 2.1 and 2.2 in the Notice of 15th AGM, Shareholders are requested to consider the resolutions for re-election of Directors. Pursuant to the Bye-laws of the Company, save and except the Managing Director, one third of the board of Directors and any of them who has been in office for three or more years since he or she was last elected to office, are obliged to offer themselves for re-election at each annual general meeting.

Mr Goh Nan Yang, Mr Khoo Teng Keat, Mr Yeow See Yuen and Mr Won Thean Sang are due to retire at this 15th AGM and have offered themselves for re-election.

Details of the retiring Directors proposed for re-election at the 15th AGM are set out in Appendix 2 of this Circular.

A form of proxy for use at the 15th AGM is enclosed. Whether or not you intend to attend the 15th AGM, you are encouraged to complete and return the form of proxy in accordance with the instructions printed thereon and deposit with the Company's share registrar, Computershare Hong Kong Investor Services Limited, 46/F Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and, in any event, not less than forty-eight (48) hours before the time appointed for the holding of the meeting or any adjournment thereof. The return of a form of proxy will not preclude you from attending and voting in person at the 15th AGM if you so wish.

#### 6. PROCEDURE FOR DEMANDING A POLL

Pursuant to Bye-laws 5.7(c) of the Bye-laws of Association of the Company, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands) a poll is demanded by:

- (1) by the chairperson of the meeting;
- (2) by at least 3 members present and having the right to vote at the meeting;
- (3) by a member or members present at the meeting and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or

## LETTER FROM THE BOARD

- (4) by a member or members present at the meeting holding shares in the company conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid-up on all the shares conferring that right.

### 7. RECOMMENDATION

The Directors are of the opinion that the granting of the General Mandate to Issue Shares and General mandate Mandate to Repurchase Shares as proposed therein are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend Shareholders to vote in favour of all resolutions to be proposed at the 15th AGM.

### 8. ADDITIONAL INFORMATION

Enclosed with this circular is a copy of the 2008 Annual Report of the Company. Shareholders are advised to regard the information contained in the said Annual Report in arriving at their discretion as to voting at the 15th AGM.

By order of the Board  
**PEARL RIVER TYRE (HOLDINGS) LIMITED**  
**Goh Nan Kioh**  
*Chairman*



## PEARL RIVER TYRE (HOLDINGS) LIMITED

*(Registered in Bermuda with limited liability)*

**(Stock Code: 1187)**

### NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 15th Annual General Meeting of Pearl River Tyre (Holdings) Limited will be held at:

**Place** : No. 15 Bukit Ledang, Off Jalan Duta, 50480 Kuala Lumpur, Malaysia  
**Date** : Friday, 19 June 2009  
**Time** : 10:00 a.m.

#### ORDINARY BUSINESS

##### 1. Adoption of Financial Statements

To receive and adopt the financial statements of the Company together with the accompanying Directors' Report for the financial year ended 31 December 2008 and the Auditors' Report thereon.

##### 2. Re-election of Directors

###### 2.1 Mr Goh Nan Yang retires by rotation as director in accordance with bye-law 6.1(f)(1)(A) of the Company.

To consider and if thought fit, to pass the following resolution as an ordinary resolution:

THAT Mr Goh Nan Yang be re-appointed as Director of the Company, such appointment to take effect upon the close of the meeting.

###### 2.2 Mr Khoo Teng Keat, Mr Yeow See Yuen and Mr Won Thean Sang retire by rotation as directors in accordance with bye-law 6.1(f)(1)(e) of the Company

To consider and if thought fit, to pass the following resolution as an ordinary resolution:

THAT Mr Khoo Teng Keat, Mr Yeow See Yuen and Mr Won Thean Sang be re-appointed as Directors of the Company, such appointment to take effect upon the close of the meeting.

**3. Directors' Fees**

To consider and if thought fit, to pass the following resolution as an ordinary resolution:

THAT the amount to be paid to Directors by way of directors' fees in anyone year be set at the same amount as the previous year and shall not be more than AUD125,000 in aggregate.

**4. Re-appointment of Auditors**

To consider and if thought fit, to pass the following resolution as an ordinary resolution:

THAT the appointment of BDO McCabe Lo Limited (to be renamed as BDO Limited on 1 May 2009) as Auditors of the Company to hold office until the conclusion of the next annual general meeting and that the Directors be authorised to fix their remuneration.

**SPECIAL BUSINESS****5. Ordinary Resolution – Repurchase of Shares of the Company**

To authorise the Company to repurchase the shares of the Company as follows:

(i) *Repurchase of Shares of the Company*

“THAT:

- (a) subject to paragraph (b) and (c) of this Resolution, the exercise by the Directors of the Company during the Relevant Period (as defined below) of all powers of the Company to purchase shares (“Shares”) of AUD0.20 each in the capital of the Company on the Stock Exchange of Hong Kong Limited (“Stock Exchange”) or any other exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose (“Recognised Stock Exchange”), subject to and in accordance with the Companies Act, 1981 of Bermuda, all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or those of any other Recognised Stock Exchange as amended from time to time, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares which may be purchased by the Company pursuant to the approval in paragraph (a) of this Resolution during the Relevant Period shall not exceed 7.71 % of the aggregate nominal amount of the share capital of the Company in issue;

- (c) the general mandate granted to the Directors to exercise the powers of the Company to purchase the shares of the Company as approved by the shareholders of the Company at the Fourteenth Annual General Meeting of the Company held on 30 May 2008 be and it is hereby revoked (without prejudice to any valid exercise of such general mandate prior to the passing of this resolution); and
- (d) for the purpose of this Resolution, "Relevant Period" means the period from the date of 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 bye-laws of the Company or the applicable laws of Bermuda to be held; or
  - (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting."

**6. Ordinary Resolution -General Mandate to Issue Shares**

To empower the Board of Directors of the Company to allot, issue and otherwise deal with shares of the Company provided that the aggregate number of shares to be issued does not exceed 20% of the aggregate nominal amount of the issued Share capital of the Company as follows:

(i) *General Mandate to Issue Shares*

"THAT:

- (a) subject to sub-paragraph (c) below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue or otherwise deal with additional shares in the share capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers, be and is hereby generally and unconditionally approved;
- (b) the approval in sub-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 powers 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 sub-paragraph (a) of this Resolution, otherwise than by way of (i) a Rights Issue (as defined in sub-paragraph (e) of this Resolution) or (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 or (iii) the exercise of any option granted under any share 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 options to subscribe for or rights to acquire shares or (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 Company's bye-laws shall not exceed the aggregate of (aa) 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of this Resolution plus (bb) (if the Directors are so authorised by a separate ordinary resolution of the Shareholders of the Company) the nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this Resolution, and the said approval be limited accordingly;
- (d) for the purpose of this Resolution, "Relevant Period" shall have the same meaning as in 5(i)(d) above; and
- (e) "Rights Issue" means an offer of shares open for a period fixed by the Directors of the Company to holders of shares whose names appear on the register of members of the Company on a fixed record date in proportion to their holdings of such shares (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, or any territory outside, Hong Kong)."
- (ii) "THAT conditional upon 5(i) and 6(i) above being passed, the aggregate nominal amount of the number of shares in the capital of the Company which are purchased by the Company under the authority granted to the Directors as mentioned in 5(i) above shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company pursuant to 6(i) above."

Dated this 29th day of April 2009

By Order of the Board

**Tan Pei Choo**

*Company Secretary*

Kuala Lumpur



## PEARL RIVER TYRE (HOLDINGS) LIMITED

*(Registered in Bermuda with limited liability)*

**(Stock Code: 1187)**

### EXPLANATORY MEMORANDUM

This explanatory statement, as required by the Listing Rules, is to provide requisite information to you for your consideration of the General Mandate to Issue, Repurchase Shares and the Re-election of Directors.

#### **Item 2 -Re-election of Directors**

##### **1. Mr Goh Nan Yang**

Mr Goh is a graduate from the University of Toledo with a Bachelor of Science (Engineering) (Honours) degree. He has wide and varied experience in property development and manufacturing activities in Melbourne, Australia. He was appointed to the Board of Directors of the Company on 20 January 2004 as an Executive Director and took on the position of Chief Executive Officer with effect from 5 March 2004.

Mr Goh is the brother of Mr Goh Nan Kioh, being a Chairman and Non-Executive Director. Mr Goh has not held any other directorship in public listed companies in Hong Kong in the last three years.

As at 17 April 2009, Mr Goh has an indirect holding of 94,000 Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Mr Goh does not have any service contract with the Company and shall retire from office on a rotation basis in accordance with the Bye-laws of the Company. Mr Goh will receive a directors' fee of AUD10,000 which is determined by reference of his duties and responsibilities, subject to the approval of the shareholders at the 15th AGM.

There are no matters concerning Mr Goh in relation to Rule 13.51(2)(h) to (v) of the Listing Rules that need to be brought to the attention of the shareholders. Save as disclosed herein, there are no other matters relating to his re-election that need to be brought to the attention of the shareholders of the Company.

##### **2. Mr Yeow See Yuen**

Mr Yeow (age 42), holds a first class honours degree in Accountancy from the National University of Singapore. He started his careers with Coopers & Lybrand in Singapore in 1991 in the audit division. He left the firm in 1994 to join Deutsche

Securities Asia Limited (“Deutsche Securities”) where he spent 9 years working in the Equity Research Department. During the period, he progressed through a series of positions including Deputy Head of Indonesia Research, Head of Malaysian Research and Head of Consumer Research Asia. Since leaving Deutsche Securities in 2003, he has been actively involved in investment banking related work, including investor relations corporate advisory and research consultancy. He was appointed as an Independent non-executive director, member of audit committee and member of remuneration committee of the Company on 30 June 2008.

Mr Yeow has not held any other directorship in public listed companies in Hong Kong in the last three years.

As at 17 April 2009, Mr Yeow does not have any interest or deemed interest in the shares or underlying shares in the capital of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Mr Yeow does not have any service contract with the Company and shall retire from office on a rotation basis in accordance with the Bye-laws of the Company. Mr Yeow will receive a directors’ fee of AUD10,000 which is determined by reference of his duties and responsibilities, subject to the approval of the shareholders at the 15th AGM.

Mr Yeow does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company.

There are no matters concerning Mr Yeow in relation to Rule 13.51(2)(h) to (v) of the Listing Rules that need to be brought to the attention of the shareholders. Save as disclosed herein, there are no other matters relating to his re-election that need to be brought to the attention of the shareholders of the Company.

### **3. Mr Khoo Teng Keat**

Mr Khoo (age 39), holds a Bachelor of Commerce (Actuarial Science) honours degree from University of Melbourne, Australia. He has more than 14 years experience as an equity analyst. He has held senior positions with several reputable international investment banks before cofounding a boutique financial advisory outfit, providing investor relations, corporate advisory and research consultancy. He was appointed as an Independent non-executive director and member of audit committee of the Company on 30 June 2008.

Mr Khoo has not held any other directorship in public listed companies in Hong Kong in the last three years.

As at 17 April 2009, Mr Khoo does not have any interest or deemed interest in the shares or underlying shares in the capital of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Mr Khoo does not have any service contract with the Company and shall retire from office on a rotation basis in accordance with the Bye-laws of the Company. Mr Khoo will receive a directors' fee of AUD10,000 which is determined by reference of his duties and responsibilities, subject to the approval of the shareholders at the 15th AGM.

Mr Khoo does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company.

There are no matters concerning Mr Khoo in relation to Rule 13.51(2)(h) to (v) of the Listing Rules that need to be brought to the attention of the shareholders. Save as disclosed herein, there are no other matters relating to his re-election that need to be brought to the attention of the shareholders of the Company.

#### **4. Mr Won Thean Sang**

Mr Won (age 60) is a qualified electrical charginan of more than 40 years. He started his career as an electrical contractor and founded KTL Sdn Bhd, a Grade A contractor in Malaysia in 1992. Backed by years of experience in the electrical field and as a businessman, he has vast hands-on experience in business operations. He was appointed as an Independent non-executive director, member of audit committee and member of remuneration committee of the Company on 2 March 2009.

Mr Won has not held any other directorship in public listed companies in Hong Kong in the last three years.

As at 17 April 2009, Mr Won does not have any interest or deemed interest in the shares or underlying shares in the capital of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Mr Won does not have any service contract with the Company and shall retire from office on a rotation basis in accordance with the Bye-laws of the Company. Mr Won will receive a directors' fee of AUD10,000 which is determined by reference of his duties and responsibilities, subject to the approval of the shareholders at the 15th AGM.

Mr Won does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company.

There are no matters concerning Mr Won in relation to Rule 13.51(2)(h) to (v) of the Listing Rules that need to be brought to the attention of the shareholders. Save as disclosed herein, there are no other matters relating to his re-election that need to be brought to the attention of the shareholders of the Company.

**Item 5 – Repurchase of Shares of the Company**

The Listing Rules permit companies whose primary listings are on the SEHK to repurchase their shares on the SEHK subject to certain restrictions, the more important of which are summarized below. The Company is empowered by its bye-laws to repurchase its own shares.

**1. SHARE CAPITAL**

As at 17 April 2009, being the Latest Practicable Date prior to the printing of this document, the issued share capital of the Company comprised 105,116,280 Shares and on the basis that no shares are issued or repurchased by the Company prior to the 15th Annual General Meeting, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 8,109,444 Shares representing approximately 7.71 % of the existing capital so as to maintain the amount of Shares held by the public to be not less than 25%.

The Directors undertake to the SEHK that the Company will only repurchase up to a maximum of 8,109,444 Shares, in order to comply with the public shareholding spread of 25% under paragraph 8.08 of the Listing Rules of SEHK.

**2. REASONS FOR THE REPURCHASE**

The Directors believe that the Repurchase Mandate is in the best interests of the Company and its shareholders. An exercise of the Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset per share and/or earnings per share of the Company and will only be made when the Directors believe that a repurchase will benefit the Company and its shareholders.

**3. FUNDING OF REPURCHASES**

Repurchases must be funded out of funds which are legally available for the purpose and in accordance with the bye-laws of the Company, the Companies Act, 1981 of Bermuda (the “Companies Act”) and any of the applicable laws of Bermuda. Under the Companies Act, a company may only repurchase its shares out of capital paid up on the shares to be repurchased or out of the funds of the Company which would otherwise be available for dividend or distribution or out of the proceeds of a fresh issue of shares made for the purpose.

Any amount of premium payable on a repurchase over the par value of the shares may only be effected out of funds of the Company which would otherwise be available for dividend or distribution or out of the Company’s share premium account. Under the Companies Act, any repurchase of shares, regardless of whether it is repurchased at a premium or not may only be made if at least two Directors of the Company declare on the date of the repurchase

by affidavit that, taking into account the proposed repurchase, the Company is solvent or that its creditors have consented in writing to the purchase.

An exercise of the Repurchase Mandate in full at any time during the proposed purchase period could have a material adverse impact on the working capital and gearing position of the Company compared with that as at 31 December 2008, being the date of its last audited accounts.

The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.

#### 4. SHARE PRICES

The highest and lowest prices at which the shares have traded on the SEHK in each of the last twelve calendar months preceding the date of this document were as follows:

|   | <b>Highest</b><br><i>HKD</i> | <b>Lowest</b><br><i>HKD</i> |
|---|------------------------------|-----------------------------|
| May 2008  | 1.780                        | 1.160                       |
| June 2008   | 1.500                        | 1.210                       |
| July 2008   | 1.210                        | 1.200                       |
| August 2008                                       | 1.250                        | 1.200                       |
| September 2008                                    | 1.000                        | 0.950                       |
| October 2008                                      | 0.950                        | 0.800                       |
| November 2008                                     | 0.780                        | 0.390                       |
| December 2008                                     | 0.770                        | 0.310                       |
| January 2009                                      | 0,770                        | 0,770                       |
| February 2009                                     | 0.770                        | 0.700                       |
| March 2009  | 0.700                        | 0.690                       |
| April 2009 (up to the<br>Latest Practicable Date) | 0.700                        | 0.700                       |

#### 5. DISCLOSURE OF INTERESTS, THE HONG KONG CODE ON TAKEOVERS AND MERGERS (THE "CODE") AND MINIMUM PUBLIC HOLDINGS

None of the Directors or, to the best of their knowledge, having made all reasonable enquiries, their associates, have any present intention to sell to the Company or its subsidiaries any of the shares in the Company if the Repurchase Mandate is approved at the 15th Annual General Meeting and exercised.

The Directors have undertaken to the SEHK that they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules and applicable laws of Bermuda.

If a shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of Rule 32 of the 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 Code.

The Directors are not aware of any consequences which the exercise in full of Repurchase Mandate will have under the Takeover Code, at present so far as is known to the Directors no shareholder may become obliged to make a mandatory offer in accordance with Rule 26 of the Takeover Code in the event that the Directors of the Company exercise the power to repurchase Shares pursuant to the Repurchase Mandate.

If the Company was to repurchase Shares up to the permitted maximum of approximately 7.71% of its existing issued share capital from the public shareholding, which is not presently contemplated, the pending percentage shareholding of the two Directors and the substantial shareholders, namely Pacific Union Pte Ltd and Kuala Lumpur Kepong Berhad would increase to 75%. To the best knowledge of the Directors, neither of these situations would give rise to any consequences under the Takeover Code and the Directors will ensure that the repurchase will not result in less than 25% of the issued share capital being in the public hands.

### Disclosure of Interests

- (a) As at 17 April 2009, being the Latest Practicable Date prior to the printing of this document, the interests of the Directors in any Shares in or debentures of the Company or any associated corporation are as follows:

| Name         | Registers Maintained In (Hong Kong) |                        |                           |
|--------------|-------------------------------------|------------------------|---------------------------|
|              | Personal Interests                  | Family Interests       | Corporate Interests       |
| Goh Nan Kioh | –                                   | 957,790 <sup>(2)</sup> | 38,114,000 <sup>(1)</sup> |
| Goh Nan Yang | 94,000                              | –                      | –                         |

*Notes:*

- (1) These Shares are beneficially held by two corporations in which Goh Nan Kioh held more than 20% equity interest.
- (2) These Shares are beneficially held by the spouse and children (under 18 years old) of Goh Nan Kioh and accordingly he is deemed to be interested in these shares.

- (b) As at 17 April 2009, being the Latest Practicable Date prior to the printing of this document, the interests of the Directors in any Shares in or debentures of the Company or any associated corporation are as follows:

| Name                           | Number of Shares held | Percentage of Share held | Percentage of Share held after the Repurchase Shares <sup>(3)</sup> |
|--------------------------------|-----------------------|--------------------------|---|
| Pacific Union Pte Ltd *        | 37,590,000            | 35.76%                   | 38.31%  |
| Kuala Lumpur Kepong Berhad **  | 32,085,976            | 30.52%                   | 32.70%  |
| Batu Kawan Berhad ***          | 32,085,976            | 30.52%                   | 32.70%  |
| Arusha Enterprise Sdn Bhd ***  | 32,085,976            | 30.52%                   | 32.70%  |
| Wan Hin Investment Sdn Bhd *** | 32,085,976            | 30.52%                   | 32.70%  |
| KL-Kepong International Ltd    | 24,085,976            | 22.91%                   | 24.55%  |

*Note:*

\* These shares are beneficially owned by Pacific Union Pte Ltd which has been a substantial shareholder of the Company since 1995. Pacific Union Pte Ltd is an investment holding company which does not have any business other than holding approximately 35.76% interests in the Company. The shares in Pacific Union Pte Ltd are in turn substantially held by Goh Nan Kioh and the balance by independent third parties. Save as disclosed herein, Pacific Union Pte Ltd and its substantial shareholders do not have any interests in or business relations with Kuala Lumpur Kepong Berhad. Goh Nan Kioh is the Non-Executive Chairman of the Company.

\*\* Kuala Lumpur Kepong Berhad is a company incorporated in Malaysia and listed on the Main Board of the Bursa Malaysia Securities Berhad (formerly known as The Kuala Lumpur Stock Exchange). It has been a substantial shareholder of the Company since 1995. Save as disclosed herein, Kuala Lumpur Kepong Berhad and its controlling shareholders do not have any interests in or business relations with Pacific Union Pte Ltd.

Ablington Holdings Sdn Bhd is the beneficial owner of 8,000,000 ordinary shares of the Company. Kuala Lumpur Kepong Berhad owns 100% of Ablington Holdings Sdn Bhd and 100% of KL-Kepong International Ltd. Kuala Lumpur Kepong Berhad is accordingly deemed by the SFO to be interested in a total of 32,085,976 ordinary shares beneficially owned by Ablington Holdings Sdn Bhd and KL-Kepong International Ltd.

\*\*\* As at 17 April 2009, Kuala Lumpur Kepong Berhad is 46.57% directly owned by Batu Kawan Berhad, which is, in turn, 44.68% directly owned by Arusha Enterprise Sdn Bhd. Wan Hin Investments Sdn Bhd directly owns 77.40% of Arusha Enterprise Sdn Bhd. Accordingly, Batu Kawan Berhad, Arusha Enterprise Sdn Bhd and Wan Hin Investments Sdn Bhd are also deemed by the SFO to be interested in the ordinary shares owned by KL-Kepong International Ltd and Ablington Holdings Sdn Bhd as disclosed above.

Batu Kawan Berhad, Arusha Enterprise Sdn Bhd and Wan Hin Investments Sdn Bhd are companies incorporated in Malaysia and the shares of Batu Kawan Berhad are listed on the Main Board of Bursa Malaysia Securities Berhad (formerly known as The Kuala Lumpur Stock Exchange). Save as disclosed above, as at 31 December 2008, no person, other than the Directors or the chief executive of the Company whose interests are set out in the section "Directors' and the chief executives' interests and short positions in shares, underlying shares and debentures" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

Apart from the aforesaid shareholders (and shareholders included as connected persons of the said shareholder within the meaning of the Listing Rules), the Directors are not aware of any single shareholder who holds more than 10% of the issued share capital of the Company.

In the event that the Directors exercise in full the power to Repurchase Shares which is proposed to be granted pursuant to Ordinary Resolution No. 5, then (if the present shareholding otherwise remained the same) the attributable shareholding to the substantial shareholders as reflected in note (3). In the opinion of the Directors, such increase may give rise to an obligation to make a mandatory offer under Rules 26 and 32 of the Takeovers Code. The Directors have no present intention to exercise the Repurchase Shares to such an event as would result in takeover obligations.

#### **6. UNDERTAKING**

The Company has not been notified by any Connected Persons that they have a present intention to sell shares to the Company or have undertaken not to sell any of the shares held by them to the Company, in the event that the Company is authorised to make purchases of shares.

#### **7. SHARE REPURCHASE MADE BY THE COMPANY**

The Company had not repurchased any of its shares on the SEHK during the six months preceding the date of this document.