
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you have sold or transferred all your shares in **Kin Yat Holdings Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee, or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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

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KIN YAT HOLDINGS LIMITED **建溢集團有限公司**

website: <http://www.kinyat.com.hk>

(Incorporated in Bermuda with limited liability)

(Stock Code: 638)

GENERAL MANDATES TO REPURCHASE SHARES AND TO ISSUE NEW SHARES, RE-ELECTION OF DIRECTORS AND NOTICE OF ANNUAL GENERAL MEETING

A notice convening the annual general meeting (the “AGM”) of Kin Yat Holdings Limited (the “Company”) to be held at Kennedy Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Monday, 15 August 2011 at 3:00 p.m. is set out on pages 14 to 17 of this circular. A form of proxy for use at the AGM is also enclosed.

Whether or not you are able to attend the AGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to our branch share registrar in Hong Kong, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the AGM. Completion and return of the form of proxy will not preclude shareholders of the Company from attending and voting in person at the meeting if they so wish.

15 July 2011

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DEFINITIONS

In this circular, the following expressions shall have the meanings set out below:

“AGM”	the annual general meeting of the Company to be held at Kennedy Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Monday, 15 August 2011 at 3:00 p.m. to consider and, if appropriate, to approve the resolutions contained in the notice of the AGM which is set out on pages 14 to 17 of this circular;
“associate(s)”	has the meaning ascribed thereto under the Listing Rules;
“Board”	the Company’s board of Directors;
“Bye-law(s)”	the bye-law(s) of the Company;
“Company”	Kin Yat Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange;
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules;
“Director(s)”	director(s) of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China;
“Issuance Mandate”	the proposed general and unconditional mandate to be granted to the Directors to exercise the powers of the Company to allot, issue or deal with Shares not exceeding 20% of the issued share capital of the Company as at the date of passing of the relevant resolution;
“Latest Practicable Date”	11 July 2011, being the latest practicable date prior to the printing of this circular for inclusion of certain information contained herein;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

DEFINITIONS

“Repurchase Mandate”	the proposed general and unconditional mandate to be granted to the Directors to exercise the powers of the Company to repurchase Shares of up to a maximum of 10% of the issued share capital of the Company as at the date of passing of the relevant resolution;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s) from time to time;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers;
“HK\$”	Hong Kong dollars; and
“%”	percent.

LETTER FROM THE BOARD



KIN YAT HOLDINGS LIMITED 建溢集團有限公司

website: <http://www.kinyat.com.hk>

(Incorporated in Bermuda with limited liability)

(Stock Code: 638)

Board of Directors

Executive Directors:

Mr. Cheng Chor Kit

(Chairman and Chief Executive Officer)

Mr. Fung Wah Cheong, Vincent

(Deputy Chairman)

Mr. Liu Tat Luen

Mr. Chui Pak Shing

Independent Non-executive Directors:

Prof. Chung Chi Ping, Roy *JP*

Mr. Wong Chi Wai

Ms. Sun Kwai Yu

Registered Office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Principal place of business:

7th Floor

Galaxy Factory Building

25-27 Luk Hop Street

San Po Kong

Kowloon

Hong Kong

15 July 2011

To the Shareholders

Dear Sir or Madam,

**GENERAL MANDATES TO REPURCHASE SHARES
AND TO ISSUE NEW SHARES,
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you with, inter alia, the relevant information regarding the resolutions to be proposed at the annual general meeting of Kin Yat Holdings Limited to be held on Monday, 15 August 2011. The proposed resolutions include those (i) granting the Directors the Repurchase Mandate and the Issuance Mandate and the extension of such mandate to issue additional new Shares, and (ii) proposing re-election of Directors who are due to retire at the AGM.

LETTER FROM THE BOARD

2. REPURCHASE MANDATE AND ISSUANCE MANDATE

At the annual general meeting of the Company held on 31 August 2010, relevant resolutions were passed to grant general mandates to the Directors to exercise the powers of the Company to repurchase Shares of up to 10% of the issued share capital of the Company as at 31 August 2010 and to allot, issue or deal with additional new Shares up to a limit equal to 20% of the issued Shares as at 31 August 2010 plus the nominal amount of any Shares repurchased by the Company. In accordance with the Listing Rules, such mandates will lapse at the conclusion of the AGM unless otherwise renewed at the AGM. The following ordinary resolutions will therefore be proposed at the AGM to renew the Repurchase Mandate and the Issuance Mandate and the extension of such mandate to issue additional new Shares:

- (a) to purchase Shares on the Stock Exchange of up to 10% of the nominal amount of the issued share capital of the Company on the date of passing such resolution (the “**Repurchase Mandate**”);
- (b) to allot, issue or deal with Shares of up to 20% of the nominal amount of the issued share capital of the Company on the date of passing such resolution (the “**Issuance Mandate**”); and
- (c) to extend the Issuance Mandate by an amount representing the aggregate nominal amount of any Shares repurchased by the Company pursuant to and in accordance with the Repurchase Mandate.

As at the Latest Practicable Date, the issued share capital of the Company comprised 418,748,000 Shares. At the AGM, ordinary resolutions would be passed to give the Issuance Mandate to allot, issue or deal with additional 83,749,600 Shares (representing 20% of the Shares in issue as at the Latest Practicable Date) plus the nominal amount of any shares repurchased by the Company.

The explanatory statement required by the Listing Rules to be sent to the Shareholders in connection with the Repurchase Mandate is set out in Appendix I to this circular.

3. RE-ELECTION OF DIRECTORS

As at the Latest Practicable Date, the Board comprised four executive Directors; namely, Mr. Cheng Chor Kit, Mr. Fung Wah Cheong, Vincent, Mr. Liu Tat Luen and Mr. Chui Pak Shing, whereas the independent non-executive Directors comprised Prof. Chung Chi Ping, Roy *JP*, Mr. Wong Chi Wai and Ms. Sun Kwai Yu.

LETTER FROM THE BOARD

Pursuant to Bye-law 86(2), the Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the board or, subject to authorisation by the members in a general meeting, as an addition to the existing board but so that the number of Directors so appointed shall not exceed any maximum number determined from time to time by members in a general meeting. Any Director so appointed shall hold office only until the first general meeting of the Company after his or her appointment and shall then be eligible for re-election at that meeting.

Pursuant to Bye-law 87(1), unless and until the Company in a general meeting shall otherwise determine, at each annual general meeting, one third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one third shall retire from office by rotation, provided that every Director (including those appointed for a specific term or holding office as chairman or managing director) shall be subject to retirement by rotation at least once every three years or within such other period as the designated stock exchange may from time to time prescribe or within such other period as the laws of such jurisdiction applicable to the Company.

Accordingly, Mr. Chui Pak Shing being Director appointed on 1 September 2010, Mr. Cheng Chor Kit and Mr. Fung Wah Cheong, Vincent being Directors who have to retire by rotation, will retire at the AGM and, being eligible, offer themselves for re-election at the AGM.

The particulars of those Directors offering themselves for re-election which are required to be disclosed by the Listing Rules are set out in Appendix II to this circular.

4. AGM AND PROXY ARRANGEMENT

The notice of the annual general meeting of the Company proposed to be held at Kennedy Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Monday, 15 August 2011 at 3:00 p.m. is set out on pages 14 to 17 of this circular. At the AGM, ordinary resolutions, as set out in full in the notice of AGM in this circular, will be proposed to approve the grant of the Repurchase Mandate and the Issuance Mandate and the extension of which to issue additional new Shares and the re-election of Directors.

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of Shareholders at the AGM will be taken by poll. The Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

LETTER FROM THE BOARD

A form of proxy for use at the AGM is enclosed herewith. To be valid, the form of proxy must be completed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority at the Company's Share Registrar in Hong Kong, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the AGM if you so wish.

5. RECOMMENDATION

The Directors consider that ordinary resolutions with respect to granting the Repurchase Mandate and the Issuance Mandate and the extension of which to issue additional new Shares and the proposing re-election of the Directors who are due to retire at AGM as set out respectively in the notice of AGM are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend Shareholders to vote in favour of such resolutions to be proposed at the AGM.

Your faithfully,

By Order of the Board

Cheng Chor Kit

Chairman and Chief Executive Officer

This Appendix serves an explanatory statement as required by the Listing Rules, to provide requisite information to you for your consideration of the Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 418,748,000 Shares.

Subject to the passing of the ordinary resolution and on the basis that no Shares are issued or repurchased by the Company prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 41,874,800 Shares during the period in which the Repurchase Mandate remains in force.

2. REASONS FOR SHARE REPURCHASE

Although the Directors have no present intention of repurchasing any Share, they believe that the proposed granting of the Repurchase Mandate is in the best interests of the Company and the Shareholders.

Repurchases of Shares may, depending on market conditions and funding arrangements at the time, result in an enhancement of the net assets and/or earnings per Share. The Directors are seeking the grant of the Repurchase Mandate to give the Company the flexibility to do so if and when appropriate. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time, having regard to the circumstances then pertaining.

3. FUNDING OF REPURCHASES

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

The Company is empowered by its memorandum of association and Bye-laws to repurchase its Shares. The laws of Bermuda provide that the amount of capital paid in connection with a share repurchase may only be paid out of the capital paid up on the relevant shares, 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 such purpose. The amount of premium payable on repurchase may only be paid out of the Company's funds which would otherwise be available for dividend or distribution or out of the share premium account of the Company before the Shares are repurchased.

There might be material adverse impact on the working capital and/or the gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 March 2011) in the event that the Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing level of the Company unless the Directors consider that such purchases are in the best interests of the Company.

4. GENERAL

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective associates, has any present intention to sell any Shares to the Company in the event that the granting of the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Bermuda.

No connected person has notified the Company that he has a present intention to sell Shares to the Company, or has undertaken not to do so in the event that the granting of the Repurchase Mandate is approved by the Shareholders.

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 purposes of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert (as interpreted according to the Takeovers Code), depending on the level of the increase of the shareholder's interest, could obtain or consolidate control of the Company and become(s) obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, Mr. Cheng Chor Kit ("**Mr. Cheng**"), an executive Director, together with his associates, Madam Tsang Yuk Wan, Mr. Cheng's wife and Resplendent Global Limited, was taken to be interested in 277,912,000 Shares representing approximately 66.37% of the Shares issued by the Company. Padora Global Inc. is the beneficial owner of all the issued capital of Resplendent Global Limited. Padora Global Inc. is wholly owned by Polo Asset Holdings Limited, which is ultimately owned by the trustees of a discretionary trust established by Mr. Cheng for his family. In the event that the Directors exercise in full the power to repurchase Shares in accordance with the terms of the ordinary resolution to be proposed at the AGM, and on the basis that no further Shares are issued, the interest of Mr. Cheng and his associates in the issued share capital of the Company would be increased to approximately 73.74%. Such increase will not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code or reduce the number of Shares in public hands falling below 25%, the minimum float public requirement pursuant to Rule 8.08 of the Listing Rules.

5. MARKET PRICES OF SHARES

The highest and lowest prices per Share at which the Shares have been traded on the Stock Exchange during the previous 12 months before the Latest Practicable Date were as follows:

Month	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2010		
July	3.22	2.75
August	3.06	2.74
September	2.92	2.78
October	3.15	2.79
November	3.10	2.83
December	2.99	2.83
2011		
January	3.29	2.85
February	3.13	2.91
March	3.07	2.64
April	2.90	2.68
May	2.95	2.67
June	2.72	2.48
July (up to the Latest Practicable Date)	2.50	2.45

6. SHARE REPURCHASES MADE BY THE COMPANY

No repurchase of Shares has been made by the Company during the last six months (whether on the Stock Exchange or otherwise).

APPENDIX II PARTICULARS OF THE DIRECTORS PROPOSED TO BE RE-ELECTED AT THE AGM

The following are the particulars (as required by the Listing Rules) of the Directors who will retire and, being eligible, offer themselves for re-election at the AGM.

MR. CHENG CHOR KIT, EXECUTIVE DIRECTOR

Cheng Chor Kit, aged 59, is the chairman and chief executive officer of the Company. He is the founder of the Group and is responsible for the Group's overall operation and strategic planning. He is also a member of the Company's remuneration committee and nomination committee. Mr. Cheng is a member of the Guangdong Provincial Committee of the Chinese People's Political Consultative Congress (中國人民政治協商會議廣東省委員會) and a member of the Shaoguan, Guangdong Provincial Committee of the Chinese People's Political Consultative Congress (中國人民政治協商會議廣東省韶關市委員會常務委員). He has over 40 years' experience in the toy industry. He did not hold any directorship in other listed public companies in the last three years. Mr. Cheng is also a director in the following subsidiaries of the Company:—

Dongguan Jianze Smart Electric Motor Company Limited, Kids Culture Limited, Kin Yat (HK) Holdings Limited, Kin Yat Industrial Company Limited, Kin Yat Industrial Holdings Limited, Lun Sing Paper Products Company Limited, Penta Blesses Enterprises Limited, Newway Electrical Industries Limited, Shaoguan Jianze Smart Electric Motor Company Limited, Shaoguan Sigma Technology Company Limited, Shenzhen Kin Yat Power Electronic Company Limited, Shixing Newway Industry Company Limited, Sigma Technology Holdings Limited, Smart Electric Motor Company Limited, Smart Electric Motor Singapore Pte. Limited, Standard Motor Company Limited, Think Plush Limited, Unicon Investments Limited, World Talent Enterprise Limited, Xian Jinshi Mining Company Limited, Success Mode Industries Limited, Renhua Talent Wood Company Limited, Shaoguan Konso Technology Company Limited, Shaoguan Lun Sing Paper Products Company Limited, Shenzhen Newway Electrical Industries Company Limited, Shixing Standard Motor Company Limited and Shaoguan Turbo Electronic Technology Company Limited.

APPENDIX II PARTICULARS OF THE DIRECTORS PROPOSED TO BE RE-ELECTED AT THE AGM

Mr. Cheng has entered into service contract with the Company for terms of three years commencing from 1 April 1997, which have been renewed automatically each year for successive terms of one year subject to termination by either party giving not less than six months' notice in writing to the other party. The annual total emoluments for Mr. Cheng will be HK\$4,800,000 and he is also entitled to an additional bonus calculated upon the performance of the Group. Mr. Cheng's emoluments are determined by the Board after arm's length negotiation with reference to the prevailing market condition.

Save as disclosed above, Mr. Cheng has no relationship with any other Directors, senior management, substantial shareholder or controlling shareholder of the Company. As at the Latest Practicable Date, Mr. Cheng, together with his associates, Madam Tsang Yuk Wan, Mr. Cheng's wife and Resplendent Global Limited, was taken to be interested in 277,912,000 Shares representing approximately 66.37% of the Shares issued by the Company. Padora Global Inc. is the beneficial owner of all the issued capital of Resplendent Global Limited. Padora Global Inc. is wholly owned by Polo Asset Holdings Limited, which is ultimately owned by the trustees of a discretionary trust established by Mr. Cheng for his family. Apart from the above, Mr. Cheng did not have any discloseable interests in the Company which were required to be disclosed under the SFO.

MR. FUNG WAH CHEONG, VINCENT, EXECUTIVE DIRECTOR

Mr. Fung Wah Cheong, Vincent, aged 55, is the deputy chairman of the Company. He has been appointed as an executive director of the Company in August 2005. He is responsible for the corporate and business management of the Group. He is also the member of the Company's remuneration committee and nomination committee. He holds a Master of Science degree in Engineering Business Management and has over 30 years' experience in the toy industry. Before he joined the Group in April 2005, he had worked as an engineering director in a sizeable toys manufacturing and distribution company. He did not hold any directorship in other listed companies in the last three years. Mr. Fung is also a director in the following subsidiaries of the Company:–

Kin Yat (HK) Holdings Limited, Kin Yat Industrial Company Limited, Newway Electrical Industries Limited, Penta Blesses Enterprises Limited, Sigma Technology Holdings Limited, Think Plush Limited, Unicon Investments Limited and World Talent Enterprise Limited.

APPENDIX II PARTICULARS OF THE DIRECTORS PROPOSED TO BE RE-ELECTED AT THE AGM

Mr. Fung has entered into service contract with the Company for terms of three years commencing from 26 August 2008 subject to termination by either party giving not less than six months' notice in writing to the other party, the termination of which should not be later than the end of the three years. The annual total emoluments for Mr. Fung will be HK\$2,988,000 and he is also entitled to an additional annual bonus calculated upon the performance of the Group. Mr. Fung's emoluments are determined by the Board after arm's length negotiation with reference to prevailing market condition.

Save for his position as executive director, Mr. Fung has no relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company. He is personally interested in 6,900,000 shares and 500,000 share options of the Company, totally representing approximately 1.77% of the issued share capital of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

MR. CHUI PAK SHING, EXECUTIVE DIRECTOR

Mr. Chui Pak Shing ("**Mr. Chui**"), aged 43, is an executive Director of the Company. He joined the Group in 1997 and resigned from the Group as an executive director in April 2006. He then rejoined in August 2010 and appointed as an executive director in September 2010. He has over 18 years of working experience in accounting and financial management and served as executive director and financial controller of several Hong Kong – listed companies in various manufacturing industries.

Mr. Chui holds a bachelor degree in Commerce from University of Wollongong in Australia and a master degree in Business Administration from University of Portsmouth in the United Kingdom. Mr. Chui is a member of both CPA Australia and Hong Kong Institute of Certified Public Accountants. Mr. Chui is also a director in the following subsidiaries of the Company:–

Kin Yat Industrial Company Limited, Newway Electrical Industries Limited, Penta Blesses Enterprises Limited and World Talent Enterprise Limited.

APPENDIX II PARTICULARS OF THE DIRECTORS PROPOSED TO BE RE-ELECTED AT THE AGM

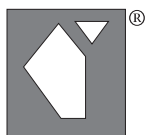
Mr. Chui has been appointed as an executive Director for a term of three years commencing from 1 September 2010 (subject to retirement by rotation according to the Company's Bye-laws) and has entered into a service agreement with the Company, which is terminable by either party giving not less than six months' notice in writing to the other party. Pursuant to the said service agreement, Mr. Chui is entitled to (i) an annual emoluments of HK\$1,500,000 plus an additional annual discretionary bonus (of not less than approximately HK\$500,000 for the first 2 years of the service term), and (ii) 2,000,000 share options to subscribe, up to a total of 2,000,000 ordinary shares of HK\$0.10 each of the Company (representing approximately 0.48% of the issued share capital of the Company). Mr. Chui's emoluments are determined by the Board after arm's length negotiation with reference to prevailing market terms, qualifications and experience of Mr. Chui.

Save for his position as executive director, Mr. Chui has no relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company. He is personally interested in 1,000,000 share options of the Company, totally representing approximately 0.24% of the issued share capital of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

OTHER MATTERS THAT NEED TO BE BROUGHT TO THE ATTENTION OF THE SHAREHOLDERS

Save as disclosed above, each of Mr. Cheng Chor Kit, Mr. Fung Wah Cheong, Vincent and Mr. Chui Pak Shing confirmed that there is not other information that needs to be disclosed pursuant to any of the requirements as set out in Rule 13.51(2) of the Listing Rules. The Company is not aware of any other matter that needs to be brought to the attention of the Shareholders and the Stock Exchange in relation to the re-election of Mr. Cheng Chor Kit, Mr. Fung Wah Cheong, Vincent and Mr. Chui Pak Shing as Directors.

NOTICE OF ANNUAL GENERAL MEETING



KIN YAT HOLDINGS LIMITED 建溢集團有限公司

website: <http://www.kinyat.com.hk>

(Incorporated in Bermuda with limited liability)

(Stock Code: 638)

NOTICE IS HEREBY GIVEN that the annual general meeting of Kin Yat Holdings Limited (the “**Company**”) to be held at Kennedy Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Monday, 15 August 2011 at 3:00 p.m. for the following purposes:

1. To receive and approve the audited financial statements and the reports of the directors (the “**Director(s)**”) and of the auditors of the Company for the year ended 31 March 2011.
2. To declare a final dividend for the year ended 31 March 2011.
3. To re-elect the retiring Directors and to authorise the Board of Directors (the “**Board**”) to fix the Directors’ remuneration.
4. To re-appoint Messrs. Ernst & Young as auditors of the Company and to authorise the Board to fix their remuneration.

ORDINARY RESOLUTIONS

As special business, to consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

5. “**THAT:**
 - (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase shares of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), subject to and in accordance with all applicable laws and the requirements of the Listing Rules as amended from time to time, be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

(b) the aggregate nominal value of the shares of the Company which the Company is authorised to repurchase pursuant to the approval in paragraph (a) above during the Relevant Period (as hereinafter defined) shall not exceed 10 % of the total nominal value of the share capital of the Company in issue at the date of the passing of this resolution, and the authority granted pursuant to paragraph (a) above shall be limited accordingly; and

(c) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this resolution up to:

- (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 any applicable law or the Bye-laws of the Company to be held; or
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting,

whichever is the earliest.”

6. “**THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue or 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 during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;

NOTICE OF ANNUAL GENERAL MEETING

- (c) the aggregate nominal amount of share capital allotted and issued or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a), otherwise that pursuant to (i) a Rights Issue (as hereinafter defined) or (ii) the exercise of the subscription rights under the share option scheme of the Company or (iii) an issue of shares as scrip dividends pursuant to the Bye-laws of the Company from time to time shall not exceed 20% 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 up to:

- (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 any applicable law or the Bye-laws of the Company to be held; or
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting,

whichever is the earliest.”; and

“**Rights Issue**” means an offer of shares, or an offer of warrants, options or other securities giving rights to subscribe for shares, open for a period fixed by the Company or by the Directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusion or other arrangements as the Directors 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).”

NOTICE OF ANNUAL GENERAL MEETING

7. “**THAT** subject to the passing of ordinary resolutions numbered 5 and 6 set out in this Notice, of which this resolution forms part, the aggregate nominal amount of share capital of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to and in accordance with the mandate granted under ordinary resolution number 6 set out in this Notice, of which this resolution forms part, be and is hereby increased and extended by the addition thereto of the aggregate nominal amount of the shares of the Company which may be repurchased by the Company pursuant to and in accordance with the mandate granted under ordinary resolution numbered 5 set out in this Notice, of which this resolution forms part, provided that such amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this resolution.”

By order of the Board
Cheng Chor Kit
Chairman and Chief Executive Officer

Hong Kong, 15 July 2011

As at the date hereof, the Board comprises four executive directors, namely Mr. Cheng Chor Kit, Mr. Fung Wah Cheong, Vincent, Mr. Liu Tat Luen and Mr. Chui Pak Shing, and three independent non-executive directors, namely Prof. Chung Chi Ping, Roy JP, Mr. Wong Chi Wai and Ms. Sun Kwai Yu.

Notes:

- (a) The Annual General Meeting of the Company is scheduled on Monday, 15 August 2011. For determining the entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Friday, 12 August 2011 to Monday, 15 August 2011, both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the Annual General Meeting, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company’s share registrar in Hong Kong, Tricor Tengis Limited, at 26/F., Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 11 August 2011.
- (b) The proposed final dividend is subject to the passing of an ordinary resolution by the shareholders at the Annual General Meeting. The record date for entitlement to the proposed final dividend is 23 August 2011. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Friday, 19 August 2011 to Tuesday, 23 August 2011, both days inclusive, during which period no transfer of share will be effected. In order to qualify for the proposed final dividend, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company’s share registrars in Hong Kong, Tricor Tengis Limited, for registration not later than 4:30 p.m. on Thursday, 18 August 2011. The payment of final dividend will be made on Friday, 9 September 2011.
- (c) A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, in the event of a poll, vote on his behalf. A proxy need not be a member of the Company.
- (d) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority, must be lodged with the Company’s Share Registrar in Hong Kong, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the AGM.