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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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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  
AMENDMENTS TO THE BYE-LAWS AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting (the “AGM”) of Kin Yat Holdings Limited (the “Company”) to be held at Conference Room III, 1/F., Regal Oriental Hotel, 30-38 Sa Po Road, Kowloon City, Kowloon, Hong Kong on Monday, 26 August 2013 at 3:00 p.m. is set out on pages 18 to 37 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.

26 July 2013

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## DEFINITIONS

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*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 Conference Room III, 1/F., Regal Oriental Hotel, 30-38 Sa Po Road, Kowloon City, Kowloon, Hong Kong on Monday, 26 August 2013 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 18 to 37 of this circular;
“Associate(s)”	has the meaning ascribed thereto under the Listing Rules;
“Board”	the Company’s board of Directors;
“Business Days”	a day (other than Saturday and days on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks are open in Hong Kong for general banking business;
“Bye-law(s)”	the bye-law(s) of the Company;
“Companies Act”	Companies Act 1981 of Bermuda;
“Companies Ordinance”	Companies Ordinance, Chapter 32 of the Laws of Hong Kong;
“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;
“Court”	has the meaning ascribed thereto in the Companies Ordinance;
“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;

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## DEFINITIONS

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“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”	24 July 2013, 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;
“Proposed Amendments”	The proposed amendments to the Bye-laws to be proposed at the AGM, the particulars of which are set out in this circular;
“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;
“Subsidiary”	a company which is for the time being subsidiary (within the meaning of Section 2 of the Companies Ordinance) of the Company, whether incorporated in Hong Kong or elsewhere;

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## DEFINITIONS

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“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers;
“Trading Day(s)”	day(s) on which the Stock Exchange is open for the trading of securities;
“HK\$”	Hong Kong dollars; and
“%”	per cent.

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## LETTER FROM THE BOARD

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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)

*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 *BBS JP*

Mr. Wong Chi Wai

Ms. Sun Kwai Yu, Vivian

*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

26 July 2013

*To the Shareholders*

Dear Sir or Madam,

**GENERAL MANDATES TO REPURCHASE SHARES  
AND TO ISSUE NEW SHARES,  
RE-ELECTION OF DIRECTORS,  
AND  
AMENDMENTS TO THE BYE-LAWS 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, 26 August 2013. 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, (ii) proposing re-election of Directors who are due to retire at the AGM, and (iii) the Proposed Amendments to the Bye-laws.

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## LETTER FROM THE BOARD

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### 2. REPURCHASE MANDATE AND ISSUANCE MANDATE

At the annual general meeting of the Company held on 20 August 2012, 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 20 August 2012 and to allot, issue or deal with additional new Shares up to a limit equal to 20% of the issued Shares as at 20 August 2012 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.

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## LETTER FROM THE BOARD

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### 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 *BBS JP*, Mr. Wong Chi Wai and Ms. Sun Kwai Yu, Vivian.

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. Cheng Chor Kit, Mr. Fung Wah Cheong, Vincent and Ms. Sun Kwai Yu, Vivian being Directors who have to retire by rotation, will retire at the AGM and, being eligible, offer themselves for re-election at the AGM.

Further, pursuant to the code provision as set out in paragraph A.4.3 of the Corporate Governance Code contained in Appendix 14 of the Listing Rules, any further appointment of independent non-executive Director serving more than nine years should be subject to a separate resolution to be approved by shareholders.

Ms. Sun Kwai Yu, Vivian will be servicing as an independent non-executive Director for nine years in September 2013. Separate resolution will be proposed for her 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.



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## LETTER FROM THE BOARD

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### 4. PROPOSED AMENDMENTS TO THE BYE-LAWS

The Bye-laws have not been amended since 2006. The Board proposed to amend the Bye-laws to conform with the latest amendments to the Listing Rules which became effective on 1 January 2009 and 1 January 2012 and the Companies Act. The proposed amendments include, but not limited to, the followings:

**(a) Abolition of requirement to publish paid announcements in newspapers**

On 25 June 2007, Rule 2.07C of the Listing Rules was amended, among others, abolishing the requirement to publish paid announcements in newspapers.

The Company considers it appropriate to amend Bye-laws 44 and 51 to enable the Company to publish announcement or notice to the Shareholders by any means in such manner permitted under the Listing Rules and the Company's constitutional documents.

**(b) Use of websites for communication with Shareholders**

On 1 January 2009, Rule 2.07A of the Listing Rules was amended, among others, introducing a new procedure to permit an issuer to deem consent of securities holders to receive corporate communication via issuer's website.

The Company considers it appropriate to amend Bye-laws 153, 160, 161 and 163 to enable the Company to send or supply the corporate communication (including notices, summarised financial statements, documents or other information) to the Shareholders using electronic means or by making them available on the Company's website or the Stock Exchange's website in satisfaction of the Company's obligation to send a printed copy thereof to the Shareholders to the extent permitted under the Listing Rules and the Company's constitutional documents.

**(c) Voting at general meetings**

On 1 January 2009 and 1 January 2012, Rule 13.39(4) of the Listing Rules was amended, among others, requiring any vote of shareholders at a general meeting to be taken by way of 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 Company considers it appropriate to amend Bye-laws 10, 66 to 70, 73, 75(1), 80 to 82 and 84(2) to enable voting by poll to be conducted pursuant to the Listing Rules.

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## LETTER FROM THE BOARD

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Besides, with effect from 1 January 2009, a new code provision E.1.3 has been introduced in the Code on Corporate Governance Practices (“**CG Code**”) that notice to shareholders should be sent in the case of annual general meetings at least 20 clear business days before the meeting and at least 10 clear business days in the case of all other general meetings.

The Company considers it appropriate to amend relevant paragraphs in Bye-laws 2 and 59 to reflect the aforesaid change of the CG Code.

**(d) Directors’ voting on interested transaction**

On 1 January 2012, Rule 13.44 of the Listing Rules removed the exemption which allows a director to vote on a board resolution approving any proposal concerning any other company in which such director or his associate(s) is/are interested only as an officer or executive or shareholder or in which the director or his associate(s) is/are beneficially interested in less than 5% of that company’s issued shares or voting rights.

As such, the Company considers it appropriate to delete Bye-laws 103(1)(v), 103(2) and (3) to reflect the aforesaid change of the Listing Rules.

**(e) Amendments under the Companies Act**

- i. The Companies Act no longer prohibit the giving of financial assistance by Bermuda companies for the purpose of purchasing its shares. As such, the Company considers it appropriate to amend Bye-law 3(3) to reflect the aforesaid change of the Companies Act.
- ii. The Companies Act permits the use of share premium in accordance with section 40 of the Companies Act and as such, the Company considers it appropriate to amend Bye-law 6 accordingly.
- iii. The solvency test under section 54 of the Companies Act has been amended and as such, the Company considers it appropriate to amend Bye-law 138 to reflect recent changes to the Companies Act.

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## LETTER FROM THE BOARD

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- iv. The notice period of an intention to nominate a person to the office of auditor under the Companies Act has been amended and the Company considers it appropriate to amend Bye-law 154(2) accordingly.
- v. The Companies Act allows paperless transfers for listed companies and the Company considers it appropriate to amend Bye-law 46 accordingly.

**(f) Minor housekeeping amendments**

In addition to the above amendments, the Company proposes to amend Bye-laws 63, 115, 118, 127(1), 127(2) and 129 to remove the requirement on appointment of deputy chairman and vice president as these are no longer statutorily required under the Companies Act and the Company may appoint any officer as the Board may consider appropriate from time to time.

Full details of the Proposed Amendments to the Bye-laws are stated in the proposed special resolution no. 8 in the notice convening the annual general meeting as set out in pages 21 to 36 of this circular. The Company also proposes to adopt a new set of Bye-laws which consolidates all previous amendments to the Bye-laws and the proposed amendments as set out in the notice of the annual general meeting.

Shareholders are advised that the Bye-laws are available only in English and the Chinese translation is for reference only including the amendments to the Bye-laws as set out in the notice of the AGM and will not form part of the Bye-laws. In case of any inconsistency, the English version shall prevail.

### **5. AGM AND PROXY ARRANGEMENT**

The notice of the annual general meeting of the Company proposed to be held at Conference Room III, 1/F., Regal Oriental Hotel, 30-38 Sa Po Road, Kowloon City, Kowloon, Hong Kong on Monday, 26 August 2013 at 3:00 p.m. is set out on pages 18 to 37 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 (i) the grant of the Repurchase Mandate and the Issuance Mandate and the extension of which to issue additional new Shares and (ii) the re-election of Directors. In addition, special resolutions will be proposed to approve the Proposed Amendments to the Bye-laws and the adoption of a new set of Bye-laws with all amendments consolidated.

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## LETTER FROM THE BOARD

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

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.

### **6. 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, the proposing re-election of the Directors who are due to retire at the AGM and the special resolution with respect to the Proposed Amendments to the Bye-laws and the adoption of a new set of Bye-Laws with all amendments consolidated 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*

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## **APPENDIX I      EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE**

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*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.

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## APPENDIX I      EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

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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 2013) 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. The Directors are not aware of any other consequences which may arise under the Takeovers Code as a result of any repurchases made under the Repurchase Mandate.

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, the spouse of Mr. Cheng and Resplendent Global Limited, was taken to be interested in 287,420,000 Shares representing approximately 68.64% 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 76.26%. However, the Directors wish to state that they have no present intention to exercise the power of the Company to repurchase Share to such an extent as would result in the number of Shares held by the public falling below 25%.

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**APPENDIX I      EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE**

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**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:

<b>Month</b>	<b>Highest <i>HK\$</i></b>	<b>Lowest <i>HK\$</i></b>
<b>2012</b>		
July	0.88	0.88
August	0.90	0.90
September	1.03	0.90
October	1.27	0.88
November	1.02	0.89
December	0.96	0.88
<b>2013</b>		
January	1.15	0.91
February	1.02	0.95
March	1.05	0.93
April	0.98	0.91
May	0.98	0.92
June	1.10	0.90
July (up to the Latest Practicable Date)	1.02	0.93

**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).

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## APPENDIX II

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

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*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

Mr. Cheng Chor Kit (“**Mr. Cheng**”), aged 61, 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.

Mr. Cheng did not hold any directorship in other listed public companies in the last three years and he is the director in the following subsidiaries of the Company:–

*Best Promotion Enterprise Limited, Billion United Investment Limited, Bravo Century Holdings Limited, Bravo Glorious Investments Limited, Bravo Splendid Investments Limited, Bravo Wise Investments Limited, Cavetto Investments Limited, China Zone Limited, Dongguan Jianze Smart Electric Motor Company Limited, Fame Hill (HK) Limited, Famous Fantasy Limited, Giant Luck Investment Limited, Grace Business Enterprise Limited, Grace Earning Enterprise Limited, Grace Mind Enterprise Limited, Grace Success Enterprise Limited, Grand Infinity Worldwide Limited, iHome Products Limited, Jianfu Mining (Guizhou) Company Limited, Joy Max Worldwild Limited, Kids Culture Limited, Kin Yat (HK) Holdings Limited, Kin Yat (Shenzhen) Toys Manufactory Limited, Kin Yat Industrial Company Limited, Kin Yat Industrial Holdings Limited, Lun Sing Paper Products Company Limited, Million Huge Investment Limited, Moneyfield Holdings Limited, Most Luck (Hong Kong) Limited, Much Asset Holdings Limited, Newway Electrical Industries (Hong Kong) Limited, Ordovician Mining (Hong Kong) Limited, Ordovician Mining Group Company Limited, Penta Blesses Enterprises Limited, Power (Oversea) Technology Limited, Profit Creator International Limited, Profit Linkage International Limited, Profithuge Investment (Hong Kong) Limited, Profitpower Investment (Hong Kong) Limited, Profitsafe Investment (Hong Kong) Limited, Profitsafe Investment Limited, Profitwealth Investment (Hong Kong) Limited, Raceasy Investments Limited, Shaoguan Jianze Smart Electric Motor Company Limited, Shaoguan Sigma Technology Company Limited, Shixing Newway Ind. Company Limited, Sigma Technology Holdings Limited, Smart Electric Motor Company Limited, Standard Electric Company Limited, Standard Electric Holdings Limited, Standard Motor Company Limited, Successmax Investment Limited, Think Plush Limited, Turbo Tec (BVI) Company Limited, Unicon Investments Limited, World Talent Enterprise Limited and Xian Jinshi Mining Company Limited*



Mr. Cheng has entered into service contract with the Company commencing from 1 April 2005 without a fixed term but subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the Company's Bye-laws unless terminated by either party giving 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 discretionary annual bonus calculated upon the performance of the Group. Mr. Cheng's emoluments are determined by the Board of the Company 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 (save for Mr. Cheng Tsz Hang, the newly promoted chief executive officer of our motors segment, who is the son of Mr. Cheng), substantial shareholder or controlling shareholder of the Company. As at the Latest Practicable Date, Mr. Cheng, together with his associates, Madam Tsang Yuk Wan, the spouse of Mr. Cheng and Resplendent Global Limited, was taken to be interested in 287,420,000 Shares representing approximately 68.64% 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 Securities and Future Ordinance.

#### **MR. FUNG WAH CHEONG, VINCENT, EXECUTIVE DIRECTOR**

Mr. Fung Wah Cheong, Vincent ("**Mr. Fung**"), aged 57, 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. Mr. Fung 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.

Mr. Fung did not hold any directorship in other listed companies in the last three years. He is also a director in the following subsidiaries of the Company:—

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## APPENDIX II

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

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*iHome Products Limited, Kids Culture Limited, Kin Yat (HK) Holdings Limited, Kin Yat (Shenzhen) Toys Manufactory Limited, Kin Yat Industrial Company Limited, Newway Electrical Industries (Hong Kong) Limited, Penta Blesses Enterprises Limited, Profitsafe Investment (Hong Kong) Limited, Shaoguan iHome Products Limited, Shaoguan Kids Culture Limited, Shenzhen Kin Yat Power Electronic Company Limited, Think Plush Limited, Unicon Investments Limited and World Talent Enterprise Limited*

Mr. Fung has entered into service contract with the Company for terms of three years commencing from 1 August 2011 subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Company's Bye-laws unless 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\$3,600,000 and he is also entitled to an additional discretionary annual bonus calculated upon the performance of the Group. Mr. Fung's emoluments are determined by the Board of the Company after arm's length negotiation with reference to the 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. As at the Latest Practicable Date, Mr. Fung 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.

### **MS. SUN KWAI YU, VIVIAN, INDEPENDENT NON-EXECUTIVE DIRECTOR**

Ms. Sun Kwai Yu, Vivian ("**Ms. Sun**"), aged 51, has been an independent non-executive Director of the Company since September 2004. She is also the chairman of the Company's audit committee and a member of the Company's remuneration committee and nomination committee. She is a fellow member of the Hong Kong Institute of Certified Public Accountants and CPA Australia. She had 19 years' experience in working in a renowned international accounting firm and she is currently the founder and chief consultant of a consultancy firm.

Ms. Sun did not hold any directorships in other listed companies in the last three years and does not hold any other positions in any subsidiaries of the Company.

Although Ms. Sun Kwai Yu, Vivian will be servicing as an independent non-executive Director for nine years in September 2013, she is not involved in daily management of the Company and she continues to demonstrate the attributes of an independent non-executive director. There is no evidence that her tenure has had any impact on her independence.

In addition, Ms. Sun has confirmed to the Company her independence based on the independence criteria as set out in Rule 3.13 of the Listing Rules. In light of the above, the Board is of the opinion that she remain independent notwithstanding the length of her service and it believes that her valuable knowledge and experience continue to generate significant contribution to the Company and the Shareholders as a whole, and, therefore, consider Ms. Sun to be independent and recommends her to be re-elected.

Ms. Sun has entered into a service contract with the Company for a term of three years commencing 28 September 2010 subject to retirement by rotation and re-election at annual general meeting of the Company in accordance with the Bye-laws unless terminated by either party giving three months' notice in writing to the other party. The annual total emolument for Ms. Sun is HK\$200,000 by reference to the Company's standard scale of emoluments for independent non-executive directors.

Save as disclosed above, Ms. Sun has no relationship with any other Directors, senior management, substantial shareholder or controlling shareholder of the Company. As at the Latest Practicable Date, Ms. Sun has interest in 800,000 share options of the Company, totally representing approximately 0.19% of the issued share capital of the Company within the meaning of Part XV of the SFO.

#### **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 Ms. Sun Kwai Yu, Vivian 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 Ms. Sun Kwai Yu, Vivian as Directors.

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## NOTICE OF ANNUAL GENERAL MEETING

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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)

**NOTICE IS HEREBY GIVEN** that the annual general meeting of Kin Yat Holdings Limited (the “**Company**”) to be held at Conference Room III, 1/F., Regal Oriental Hotel, 30-38 Sa Po Road, Kowloon City, Kowloon, Hong Kong on Monday, 26 August 2013 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 2013.
2. To declare a final dividend for the year ended 31 March 2013.
3.
  - (a) To re-elect Mr. Cheng Chor Kit as an executive Director;
  - (b) to re-elect Mr. Fung Wah Cheong, Vincent as an executive Director;
  - (c) to re-elect Ms. Sun Kwai Yu, Vivian as an independent non-executive Director;  
and
  - (d) to authorise the Board of Directors (the “**Board**”) to fix their 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;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (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;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (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).”

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## NOTICE OF ANNUAL GENERAL MEETING

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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.”

### SPECIAL RESOLUTION

To consider as special business and, if thought fit, pass with or without amendments, the following resolution as a special resolution:

- 8(a). “**THAT** the Bye-laws of the Company be amended in the following manner:

- (a) By adding the following definition in Bye-law 1 in alphabetical order:

““business day”

shall mean any day on which the Designated Stock Exchange is open for the business of dealing in securities. For the avoidance of doubt, where the Designated Stock Exchange is closed for the business of dealing in securities in Hong Kong on a business day by reason of a Number 8 or higher typhoon signal, black rainstorm warning or other similar event, such day shall for the purposes of these Bye-laws be counted as a business day.

“substantial shareholder”

a person who is entitled to exercise, or to control the exercise of, 10% or more (or such other percentage as may be prescribed by the rules of the Designated Stock Exchange from time to time) of the voting power at any general meeting of the Company.”

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- (b) By deleting the existing definition of “clearing house” in Bye-law 1 in its entirety and substituting therefor the following:

““clearing house”	clearing house recognised by the laws of the jurisdiction in which the shares of the Company are listed or quoted on a stock exchange in such jurisdiction.”
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- (c) By deleting the existing paragraphs (e), (h) and (i) in Bye-law 2 in its entirety and substituting therefor the following paragraphs and by inserting new paragraph (k) stated below at the end of Bye-law 2:

“(e) expressions referring to writing shall, unless the contrary intention appears, be construed as including printing, lithography, photography and other modes of representing words or figures in a visible form, and including where the representation takes the form of electronic display, provided that both the mode of service of the relevant document or notice and the Member’s election comply with all applicable Statutes, rules and regulations;

(h) a resolution shall be a special resolution when it has been passed by a majority of not less than three fourths of votes cast by such Members as, being entitled so to do, vote in person or, in the case of such Members as are corporations, by their respective duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which Notice has been duly given in accordance with Bye-law 59;

(i) a resolution shall be an ordinary resolution when it has been passed by a simple majority of votes cast by such Members as, being entitled so to do, vote in person or, in the case of any Member being a corporation, by its duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which Notice has been duly given in accordance with Bye-law 59;



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- (k) references to a document being executed include references to it being executed under hand or under seal or by electronic signature or by any other method and references to a notice or document include a notice or document recorded or stored in any digital, electronic, electrical, magnetic or other retrievable form or medium and information in visible form whether having physical substance or not.”
- (d) By deleting the existing Bye-law 3(3) in its entirety and substituting therefor the following:
  - “(3) Subject to compliance with the rules and regulations of the Designated Stock Exchange and any other relevant regulatory authority, the Company may give financial assistance for the purpose of or in connection with a purchase made or to be made by any person of any shares in the Company.”
- (e) By inserting the words “, save for the use of share premium as expressly permitted by the Act,” immediately after the words “issued share capital or” in the second line of the existing Bye-law 6.
- (f) In the existing Bye-law 10:
  - (i) by inserting the word “and” at the end of the existing Bye-law 10(a);
  - (ii) by deleting the word “; and” at the end of the existing Bye-law 10(b) and substituting therefor a full-stop; and
  - (iii) by deleting the existing Bye-law 10(c) in its entirety.

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- (g) By deleting the existing Bye-law 44 in its entirety and substituting therefor the following:

“44. The Register and branch register of Members, as the case may be, shall be open to inspection between 10 a.m. and 12 noon during business hours by member of the public without charge, at the Office or such other place at which the Register is kept in accordance with the Act. The Register including any overseas or local or other branch register of Members may, after notice has been given by advertisement in an appointed newspaper and where applicable, any other newspapers in accordance with the requirements of any Designated Stock Exchange or by any means in such manner as may be accepted by the Designated Stock Exchange to that effect, be closed at such times or for such periods not exceeding in the whole thirty (30) days in each year as the Board may determine and either generally or in respect of any class of shares.”

- (h) By deleting the existing Bye-laws 46 in its entirety and substituting therefor the following:

“46. Subject to these Bye-laws, any Member may transfer all or any of his shares in any manner permitted by and in accordance with the rules of the Designated Stock Exchange or by an instrument of transfer in the usual or common form or in a form prescribed by the Designated Stock Exchange or in any other form approved by the Board and may be under hand or, if the transferor or transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the Board may approve from time to time.”

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- (i) By deleting the existing Bye-law 51 in its entirety and substituting therefor the following:

“51. The registration of transfers of shares or of any class of shares may, after notice has been given by advertisement in any newspapers in accordance with the requirements of any Designated Stock Exchange or by any means in such manner as may be accepted by the Designated Stock Exchange to that effect be suspended at such times and for such periods (not exceeding in the whole thirty (30) days in any year) as the Board may determine.”

- (j) By deleting the existing Bye-law 59(1) in its entirety and substituting therefor the following:

“59. (1) An annual general meeting shall be called by Notice of not less than twenty-one (21) clear days and not less than twenty (20) clear business days and any special general meeting at which the passing of a special resolution is to be considered shall be called by Notice of not less than twenty-one (21) clear days and not less than ten (10) clear business days. All other special general meetings may be called by Notice of not less than fourteen (14) clear days and not less than ten (10) clear business days but if permitted by the rules of the Designated Stock Exchange, a general meeting may be called by shorter notice if it is so agreed:

- (a) in the case of a meeting called as an annual general meeting, by all the Members entitled to attend and vote thereat; and
- (b) in the case of any other meeting, by a majority in number of the Members having the right to attend and vote at the meeting, being a majority together holding not less than ninety-five per cent. (95%) in nominal value of the issued shares giving that right.”

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- (k) By deleting the existing Bye-law 63 in its entirety and substituting therefor the following:

“63. The president of the Company or the chairman, if one is appointed, shall preside as chairman at every general meeting. If at any meeting the president or the chairman, as the case may be, is not present within fifteen (15) minutes after the time appointed for holding the meeting, or if neither of them is willing to act as chairman, or if no such officer is appointed, the Directors present shall choose one of their number to act, or if one Director only is present he shall preside as chairman if willing to act. If no Director is present, or if each of the Directors present declines to take the chair, or if the chairman chosen shall retire from the chair, the Members present in person or (in the case of a Member being a corporation) by its duly authorised representative or by proxy and entitled to vote shall elect one of their number to be chairman.”

- (l) By deleting the existing Bye-law 66 in its entirety and substituting therefor the following:

“66. (1) Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Bye-laws, at any general meeting on a poll every Member present in person or by proxy or, in the case of a Member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share. A resolution put to the vote of a meeting shall be decided by way of a poll save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter as prescribed under the rules of the Designated Stock Exchange to be voted on by a show of hands in which case every Member present in person (or being a corporation, is present by a duly authorised representative), or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a Member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. For purposes of this Bye-law, procedural and administrative

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matters are those that (i) are not on the agenda of the general meeting or in any supplementary circular that may be issued by the Company to its Members; and (ii) relate to the chairman's duties to maintain the orderly conduct of the meeting and/or allow the business of the meeting to be properly and effectively dealt with, whilst allowing all Members a reasonable opportunity to express their views."

- (2) Where a show of hands is allowed, before or on the declaration of the result of the show of hands, a poll may be demanded:
- (a) by at least three Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
  - (b) by a Member or Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all Members having the right to vote at the meeting; or
  - (c) by a Member or Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy and 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 shares conferring that right.

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

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- (m) By deleting the existing Bye-law 67 in its entirety and substituting therefor the following:

“67. Where a resolution is voted on by a show of hands as permitted under the rules of the Designated Stock Exchange, a declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or not carried by a particular majority, or lost, and an entry to that effect made in the minute book of the Company, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against the resolution.”

- (n) By deleting the existing Bye-law 68 in its entirety and substituting therefor the following:

“68. The results of a poll shall be deemed to be the resolution of the meeting. The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the rules of the Designated Stock Exchange.”

- (o) By deleting the existing Bye-law 69 in its entirety and substituting therefor the words “Intentionally Deleted”.

- (p) By deleting the existing Bye-law 70 in its entirety and substituting therefor the words “Intentionally Deleted”.

- (q) By deleting the words “whether on a show of hands or on a poll,” from the existing Bye-law 73.

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- (r) By deleting the existing Bye-law 75(1) in its entirety and substituting therefor the following:

“75(1) A Member who is a patient for any purpose relating to mental health or in respect of whom an order has been made by any court having jurisdiction for the protection or management of the affairs of persons incapable of managing their own affairs may vote, by his receiver, committee, *curator bonis* or other person in the nature of a receiver, committee or *curator bonis* appointed by such court, and such receiver, committee, *curator bonis* or other person may vote by proxy, and may otherwise act and be treated as if he were the registered holder of such shares for the purposes of general meetings, provided that such evidence as the Board may require of the authority of the person claiming to vote shall have been deposited at the Office, head office or Registration Office, as appropriate, not less than forty-eight (48) hours before the time appointed for holding the meeting, or adjourned meeting, as the case may be.”

- (s) By deleting the existing Bye-law 80 in its entirety and substituting therefor the following:

“80. The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified at the Registration Office or the Office, as may be appropriate) not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote. No instrument appointing a proxy shall be valid after the expiration of twelve (12) months from the date named in it as the date of its execution, except at an adjourned meeting in cases where the meeting was originally held within twelve (12) months from such date. Delivery of an instrument appointing a proxy shall not preclude a Member from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.”

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- (t) By deleting the words “to demand or join in demanding a poll and” from the second sentence in the existing Bye-law 81.
- (u) By deleting the words “, or the taking of the poll,” from in the existing Bye-law 82.
- (v) By deleting the existing Bye-law 84(2) in its entirety and substituting therefor the following:
  - “(2) Where a Member is a clearing house (or its nominee(s) and, in each case, being a corporation), it may authorise such persons as it thinks fit to act as its representatives at any meeting of the Company or at any meeting of any class of Members provided that the authorisation shall specify the number and class of shares in respect of which each such representative is so authorised. Each person so authorised under the provisions of this Bye-law shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by the clearing house (or its nominee(s)) in respect of the number and class of shares specified in the relevant authorisation including, where a show of hands is allowed, the right to vote individually on a show of hands.”
- (w) By deleting the existing Bye-law 103(1)(v) in its entirety and renumbering the existing Bye-law 103(1)(vi) as new Bye-law 103(1)(v).
- (x) By deleting the existing Bye-laws 103(2) and (3) in their entirety and renumbering the existing Bye-law 103(4) as new Bye-law 103(2).



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- (y) By deleting the existing Bye-law 115 in its entirety and substituting therefor the following:

“115. A meeting of the Board may be convened by the Secretary on request of a Director or by any Director. The Secretary shall convene a meeting of the Board whenever he shall be required so to do by any Director. Notice of a meeting of the Board shall be deemed to be duly given to a Director if it is given to such Director in writing or verbally (including in person or by telephone) or via electronic mail or in such other manner as the Board may from time to time determine.”

- (z) By deleting the existing Bye-law 118 in its entirety and substituting therefor the following:

“118. The Board may elect a chairman of its meetings and determine the period for which he is to hold such office. If no chairman is elected, or if at any meeting no chairman is present within five (5) minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting.”

- (aa) By deleting the existing Bye-laws 127(1) and (2) in their entirety and substituting therefor the following as new Bye-law 127(1) and by re-numbering the existing Bye-laws 127(3) and (4) as new Bye-laws 127(2) to (3) respectively:

“127. (1) The officers of the Company shall consist of a president or chairman, the Directors and Secretary and such additional officers (who may or may not be Directors) as the Board may from time to time determine, all of whom shall be deemed to be officers for the purposes of the Act and these Bye-laws.”

- (bb) By deleting the existing Bye-law 129 in its entirety and substituting therefor the words “Intentionally Deleted”.

- (cc) By deleting the words “the aggregate of its liabilities and its issued share capital and share premium accounts” in the existing Bye-law 138 and substituting therefor the words “its liabilities”.

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- (dd) By deleting the existing Bye-law 153 in its entirety and substituting therefor the following:

“153. (1) Subject to Section 88 of the Act and Bye-law 153(2), a printed copy of the Directors’ report, accompanied by the balance sheet and profit and loss account, including every document required by law to be annexed thereto, made up to the end of the applicable financial year and containing a summary of the assets and liabilities of the Company under convenient heads and a statement of income and expenditure, together with a copy of the Auditors’ report, shall be sent to each person entitled thereto at least twenty-one (21) days before the date of the general meeting and laid before the Company in general meeting in accordance with the requirements of the Act provided that this Bye-law shall not require a copy of those documents to be sent to any person whose address the Company is not aware of or to more than one of the joint holders of any shares or debentures.

- (2) To the extent permitted by and subject to due compliance with all applicable Statutes, rules and regulations, including, without limitation, the rules of the Designated Stock Exchange, and to obtaining all necessary consents, if any, required thereunder, the requirements of Bye-law 153(1) shall be deemed satisfied in relation to any person by sending to the person in any manner not prohibited by the Statutes, summarised financial statements derived from the Company’s annual accounts and the Directors’ report which shall be in the form and containing the information required by applicable laws and regulations, provided that any person who is otherwise entitled to the annual financial statements of the Company and the directors’ report thereon may, if he so requires by notice in writing served on the Company, demand that the Company sends to him, in addition to summarised financial statements, a complete printed copy of the Company’s annual financial statements and the Directors’ report thereon.

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(3) The requirement to send to a person referred to in Bye-law 153(1) the documents referred to in that provision or a summary financial report in accordance with Bye-law 153(2) shall be deemed satisfied where, in accordance with all applicable Statutes, rules and regulations, including, without limitation, the rules of the Designated Stock Exchange, the Company publishes copies of the documents referred to in Bye-law 153(1) and, if applicable, a summary financial report complying with Bye-law 153(2), on the Company's computer network or in any other permitted manner (including by sending any form of electronic communication), and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company's obligation to send to him a copy of such documents."

(ee) By deleting the existing Bye-law 154(2) in its entirety and substituting therefor the following:

"(2) Subject to Section 89 of the Act, a person, other than an incumbent Auditor, shall not be capable of being appointed Auditor at an annual general meeting unless notice in writing of an intention to nominate that person to the office of Auditor has been given not less than twenty-one (21) days before the annual general meeting and furthermore, the Company shall send a copy of any such notice to the incumbent Auditor."

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- (ff) By deleting the existing Bye-law 160 in its entirety and substituting therefor the following:

“160. Any Notice or document (including any “corporate communication” within the meaning ascribed thereto under the rules of the Designated Stock Exchange), whether or not, to be given or issued under these Bye-laws from the Company to a Member shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or communication and any such Notice and document may be served or delivered by the Company on or to any Member either personally or by sending it through the post in a prepaid envelope addressed to such Member at his registered address as appearing in the Register or at any other address supplied by him to the Company for the purpose or, as the case may be, by transmitting it to any such address or transmitting it to any telex or facsimile transmission number or electronic number or address or website supplied by him to the Company for the giving of Notice to him or which the person transmitting the notice reasonably and bona fide believes at the relevant time will result in the Notice being duly received by the Member or may also be served by advertisement in appointed newspapers (as defined in the Act) or in newspapers published daily and circulating generally in the territory of and in accordance with the requirements of the Designated Stock Exchange or, to the extent permitted by the applicable laws, by placing it on the Company’s website or the website of the Designated Stock Exchange, and giving to the member a notice stating that the notice or other document is available there (a “notice of availability”). The notice of availability may be given to the Member by any of the means set out above other than by posting it on a website. In the case of joint holders of a share all notices shall be given to that one of the joint holders whose name stands first in the Register and notice so given shall be deemed a sufficient service on or delivery to all the joint holders.”

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(gg) By deleting the existing Bye-law 161 in its entirety and substituting therefor the following:

“161. Any Notice or other document:

- (a) if served or delivered by post, shall where appropriate be sent by airmail and shall be deemed to have been served or delivered on the day following that on which the envelope containing the same, properly prepaid and addressed, is put into the post; in proving such service or delivery it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly addressed and put into the post and a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board that the envelope or wrapper containing the Notice or other document was so addressed and put into the post shall be conclusive evidence thereof;
- (b) if sent by electronic communication, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent. A Notice placed on the Company’s website or the website of the Designated Stock Exchange is deemed given by the Company to a Member on the day following that on which a notice of availability is deemed served on the Member;
- (c) if served or delivered in any other manner contemplated by these Bye-laws, shall be deemed to have been served or delivered at the time of personal service or delivery or, as the case may be, at the time of the relevant despatch, transmission or publication; and in proving such service or delivery a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board as to the fact and time of such service, delivery, despatch, transmission or publication shall be conclusive evidence thereof; and

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## NOTICE OF ANNUAL GENERAL MEETING

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(d) may be given to a Member either in the English language or the Chinese language, subject to due compliance with all applicable Statutes, rules and regulations.”

(hh) By inserting the words “or electronic” immediately after the words “or facsimile” in the first line of the existing Bye-law 163.”

8(b). “**THAT** the new bye-laws of the Company, in the form of the printed document marked “A” and produced to this meeting and for the purpose of identification signed by the Chairman of this meeting, which consolidates all of the proposed amendments referred to in resolution numbered 8(a) and all previous amendments made pursuant to resolutions passed by the shareholders of the Company at general meetings be approved and adopted as the new bye-laws of the Company in substitution for and to the exclusion of the existing bye-laws of the Company with immediate effect.”

By Order of the Board

**Cheng Chor Kit**

*Chairman and Chief Executive Officer*

Hong Kong, 26 July 2013

*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 BBS JP, Mr. Wong Chi Wai and Ms. Sun Kwai Yu, Vivian.*

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## NOTICE OF ANNUAL GENERAL MEETING

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*Notes:*

- (a) The Annual General Meeting of the Company is scheduled on Monday, 26 August 2013. 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, 23 August 2013 to Monday, 26 August 2013, 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 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 22 August 2013.
- (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 on Tuesday, 3 September 2013. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Friday, 30 August 2013 to Tuesday, 3 September 2013, 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 registrar in Hong Kong, Tricor Tengis Limited, for registration not later than 4:30 p.m. on Thursday, 29 August 2013. The payment of final dividend will be made on Monday, 16 September 2013.
- (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.