

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in **Daisho Microline Holdings Limited**, you should at once hand this circular 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.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss however arising from or in reliance upon the whole or any part of the contents of this circular.



DAISHO MICROLINE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 0567)

GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES AND PROPOSED APPOINTMENT OF DIRECTOR AND RE-ELECTION OF DIRECTOR AND PROPOSED CHANGE OF AUDITORS AND NOTICE OF ANNUAL GENERAL MEETING

A notice convening an annual general meeting of Daisho Microline Holdings Limited to be held at Room 730, 7/F., Kowloonbay International Trade & Exhibition Centre at 1 Trademart Drive, Kowloon Bay, Kowloon, Hong Kong on Monday, 26 August 2013 at 10:00 a.m. is set out on pages 11 to 14 of this circular. Whether or not you are able to attend the annual general meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's 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 holding the annual general meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof, should you so wish.

26 July 2013

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	
INTRODUCTION	2
GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES	3
PROPOSED APPOINTMENT OF DIRECTOR AND RE-ELECTION OF DIRECTOR	3
PROPOSED CHANGE OF AUDITORS	4
2013 AGM	4
RECOMMENDATION	5
APPENDIX I – EXPLANATORY STATEMENT FOR REPURCHASE MANDATE	6
APPENDIX II – DETAILS (INCLUDING BIOGRAPHIES) OF DIRECTORS OFFERING THEMSELVES FOR APPOINTMENT OR RE-ELECTION	9
NOTICE OF ANNUAL GENERAL MEETING	11

DEFINITIONS

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

“2013 AGM”	the annual general meeting of the Company to be held at Room 730, 7/F., Kowloonbay International Trade & Exhibition Centre at 1 Trademart Drive, Kowloon Bay, Kowloon, Hong Kong on Monday, 26 August 2013 at 10:00 a.m., notice of which is set out on pages 11 to 14 of this circular
“Board”	the board of Directors of the Company
“Bye-Law(s)”	bye-law(s) of the Company
“Company”	Daisho Microline Holdings Limited, a limited company incorporated in Bermuda with its shares listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Latest Practicable Date”	22 July 2013, being the latest practicable date prior to the printing of this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Repurchase Mandate”	a general mandate proposed to be granted to the Directors to exercise all the powers of the Company to repurchase Shares listed on the Stock Exchange of up to 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of the resolution to grant such mandate at the 2013 AGM
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.



DAISHO MICROLINE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 0567)

Directors:

Executive Directors:

Chan Sik Ming, Harry (*Chairman and*

Chief Executive Officer)

Au-Yeung Wai Hung

Yoshio Handa

Shozo Sugaya

Independent Non-Executive Directors:

Chan Yuk Tong

Li Chi Kwong

Yeung Chi Shing, Bret

Registered Office:

Canon's Court

22 Victoria Street

Hamilton, HM12

Bermuda

Principal Place of Business

in Hong Kong:

Unit 303A, 3rd Floor

Shui Hing Centre

13 Sheung Yuet Road

Kowloon Bay

Hong Kong

26 July 2013

To the Shareholders

Dear Sir/Madam,

**GENERAL MANDATES TO ISSUE SHARES AND
REPURCHASE SHARES
AND
PROPOSED APPOINTMENT OF DIRECTOR AND
RE-ELECTION OF DIRECTOR
AND
PROPOSED CHANGE OF AUDITORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information reasonably necessary to enable you to make a decision on whether to vote for or against the ordinary resolutions to be proposed at the 2013 AGM of the Company to be held on 26 August 2013 for the purpose of considering and if thought fit, passing resolutions to approve the general mandates granted to the Directors to issue and repurchase Shares of the Company, the proposed appointment of Director and the re-election of Director and the proposed change of auditors.

LETTER FROM THE BOARD

GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES

Ordinary resolutions set out as resolutions numbered 8 to numbered 10 in the notice of 2013 AGM will be proposed to grant general mandates to the Directors (i) to allot, issue and deal with Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company on the date of passing the resolution and the nominal amount of any Shares repurchased by the Company (up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company on the date of passing the resolution); and (ii) to repurchase Shares up to 10% of the aggregate nominal amount of the issued share capital of the Company on the date of passing the resolution. Subject to the passing of the relevant ordinary resolutions and on the basis that no further Shares are issued or repurchased prior to the date of passing the relevant ordinary resolutions, the exercise in full of the general mandates would result in the issue and repurchase by the Company of a maximum of 96,048,757 Shares and 48,024,378 Shares respectively.

An explanatory statement as required by the Listing Rules to provide the Shareholders with all the information reasonably necessary for them to make an informed decision on the proposed resolution for the granting of the Repurchase Mandate is set out in Appendix I to this circular.

PROPOSED APPOINTMENT OF DIRECTOR AND RE-ELECTION OF DIRECTOR

Mr. Chong Chi Wah has been proposed by the Board on 15 July 2013 for appointment as an independent non-executive director at the 2013 AGM and subject to such approval by the Shareholders, the Board intends to appoint Mr. Chong as a member and chairman of the Audit Committee, a member and chairman of the Remuneration Committee and a member of the Nomination Committee of the Company.

A notification has been received on 15 July 2013 from Mr. Chan Yuk Tong who has been appointed as an independent non-executive director of the Company on 1 September 2004 and is currently the chairman of the Audit Committee, the chairman of the Remuneration Committee and a member of the Nomination Committee of the Company that he would not offer himself for re-election as an independent non-executive director and other offices of the Company after his retirement by rotation of directors under the Company's Bye-Law 99(A) at the 2013 AGM because he has served the Company as an independent non-executive director consecutively for almost nine years and he would like to devote his time to his other personal interest. He has confirmed that he has no disagreement with the Board and there was no matter in relation to his retirement that needs to be brought to the attention of the Shareholders.

According to the Company's private act known as "The Juko Laboratories Holdings Limited Company Act 1990" which is an Act of the Company established when the Company was first established under the former name of Juko Laboratories Holdings Limited, the Chairman of the Company is not required to be subject to rotation in accordance with the Bye-Law. However, in the spirit of good corporate governance practice, the existing Chairman of the Company, Mr. Chan Sik Ming Harry, has agreed to retire on a voluntary basis at least once every three years. The last time Mr. Chan Sik Ming Harry retired on a voluntary basis was on 3 September 2010. He will also retire on a voluntary basis and, being eligible, will offer himself for re-election at the 2013 AGM.

The biographical details in respect of Mr. Chong Chi Wah and Mr. Chan Sik Ming Harry are set out in Appendix II to this circular.

LETTER FROM THE BOARD

PROPOSED CHANGE OF AUDITORS

Ernst & Young indicated in their letter to the Board dated 18 July 2013 that they would not seek for re-appointment as the auditors of the Company at the 2013 AGM because they could not reach an agreement with the Company on the audit fee for the Company's financial year ending 31 March 2014.

Crowe Horwath (HK) CPA Limited is recommended by the Audit Committee of the Company and the Board for appointment as the auditors of the Company at the 2013 AGM subject to the then approval by the Shareholders of their appointment and their term of office until the conclusion of the next annual general meeting of the Company.

Ernst & Young confirmed in their letter that there were no circumstances connected with their ceasing to hold office which they considered should be brought to the attention of the Shareholders. The Board also confirmed that there were no matters in relation to the proposed change of auditors that need to be brought to the attention of the Shareholders.

2013 AGM

The notice convening the 2013 AGM to be held at Room 730, 7/F., Kowloonbay International Trade & Exhibition Centre, 1 Trademart Drive, Kowloon Bay, Kowloon, Hong Kong on 26 August 2013 at 10:00 a.m. is set out on pages 11 to 14 of this circular.

According to Bye-Law 70, at any general meeting a resolution put to vote at the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded:

- (i) by the chairman of the meeting; or
- (ii) by at least three members present in person (or, in the case of a member being a corporation, by its duly authorised corporate representative) or by proxy for the time being entitled to vote at the meeting; or
- (iii) by any member or members present in person (or, in the case of a member being corporation, by its duly authorised corporate representative) or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (iv) by a member or members present in person (or, in the case of a member being a corporation, by its duly authorised corporate representative) or by proxy and holding Shares conferred a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the Shares conferring that right.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, the chairman of the 2013 AGM will put each of the resolutions proposed at the 2013 AGM to be voted by way of a poll.

LETTER FROM THE BOARD

RECOMMENDATION

The Board believe that the granting of the general mandates, the proposed appointment of Director and the re-election of Director, the proposed change of auditors and other resolutions as set out in the notice of the 2013 AGM are in the interests of the Company and the Shareholders and accordingly recommend the Shareholders to vote in favour of all the resolutions to be proposed at the 2013 AGM.

Your attention is also drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
By Order of the Board
Chan Sik Ming, Harry
Chairman

The following serves as an explanatory statement in compliance with the Listing Rules to give all the information reasonably necessary to enable Shareholders to make an informed decision on whether to vote for or against the resolution to approve the Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company was HK\$48,024,378.50 comprising 480,243,785 Shares.

Subject to the passing of the relevant ordinary resolution to approve the Repurchase Mandate (as set out in resolution numbered 9 of the notice of the 2013 AGM) and on the basis that no further Shares are issued prior to the 2013 AGM, exercise in full of the Repurchase Mandate would result in the repurchase by the Company of a maximum of 48,024,378 Shares during the period ending on the earliest of the date of the next annual general meeting following the 2013 AGM, the date by which the next annual general meeting following the 2013 AGM of the Company is required by the Bye-Laws or any applicable laws of Bermuda to be held or the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

2. REASONS FOR REPURCHASES

The Directors have no present intention to repurchase any Shares but consider that the Repurchase Mandate is in the best interests of the Company and the Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per share of the Company and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

There might be material adverse impact on the working capital or gearing position of the Company as compared with the financial position of the Company as at 31 March 2013 (being the date to which the latest audited financial statements of the Company were made up) in the event that the Repurchase Mandate is carried out in full 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 of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply its retained earnings or funds which are legally available for such purpose in accordance with its Memorandum of Association and Bye-Laws and all applicable laws of Bermuda.

4. MARKET PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the twelve months from 1 July 2012 up to the Latest Practicable Date were as follows:

	Highest Per Share	Lowest Per Share
	<i>HK\$</i>	<i>HK\$</i>
2012		
July	0.195	0.173
August	0.280	0.198
September	0.300	0.222
October	0.285	0.235
November	0.275	0.241
December	0.270	0.231
2013		
January	0.320	0.250
February	0.310	0.260
March	0.300	0.243
April	0.290	0.245
May	0.275	0.250
June	0.345	0.260
July (up to the Latest Practicable Date)	0.400	0.310

5. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSON

None of the Directors nor, to the best of their knowledge and having made all reasonable enquiries, any of their respective associates, have any present intention to sell any Shares to the Company or its subsidiaries under the Repurchase Mandate in the event that such mandate is approved by Shareholders.

No connected person, as defined in the Listing Rules, has notified the Company that he/she has a present intention to sell any Shares to the Company, nor has he/she undertaken not to do so in the event that the Repurchase Mandate is approved by Shareholders.

6. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules, all applicable laws of Bermuda and in accordance with the Memorandum of Association and Bye-Laws of the Company.

7. EFFECT OF TAKEOVERS CODE

If on the exercise of the power to repurchase shares pursuant to the repurchase mandate, a shareholder's proportionate interest in the voting rights of the company increases, such increase will be treated as an acquisition for the purposes of the Rule 32 of the Takeovers Code. As a result, a shareholder or a group of shareholders acting in concert (within the meaning of the Takeovers Code) could obtain or consolidate control of the company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code for all shares not already owned by such shareholder or group of shareholders.

As at the Latest Practicable Date, Mr. Chan Sik Ming Harry was interested in 143,601,417 Shares representing approximately 29.90% of the issued share capital of the Company. On the basis of 480,243,785 Shares in issue and in the event that the Directors exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the Repurchase Mandate, the shareholding of Mr. Chan Sik Ming Harry in the Company would increase to approximately 33.22% of the issued share capital of the Company. Such increase in shareholding will give rise to an obligation for Mr. Chan Sik Ming Harry to make a mandatory offer under Rule 26 of the Takeovers Code. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent. Save as aforesaid, the Directors are not aware of any other consequences which would arise under the Takeovers Code resulting from any repurchase of Shares pursuant to the Repurchase Mandate.

8. SHARES REPURCHASES MADE BY THE COMPANY

The Company had not repurchased any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

Chong Chi Wah, aged 51, has been proposed by the Board on 15 July 2013 for appointment as an independent non-executive director at the 2013 AGM and subject to such approval by the Shareholders, the Board intends to appoint Mr. Chong as a member and chairman of the Audit Committee, a member and chairman of the Remuneration Committee and a member of the Nomination Committee of the Company. He has not previously held any other position with the Company and its subsidiaries.

Mr. Chong graduated from the Hong Kong Polytechnic (now known as Hong Kong Polytechnic University) with a Diploma in Management Studies in 1991 and graduated from University of San Francisco of the United States with a Master degree in Business Administration in 1997. He is a fellow member of both The Association of Chartered Certified Accountants and Hong Kong Institute of Directors, and also an associate member of Hong Kong Institute of Certified Public Accountants, The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries. He has over 27 years of experience in accounting, audit and finance.

Mr. Chong is currently a principal of the Corporate Advisory Service Department in CC Alliance CPA & Co. and also an independent non-executive director of Sijia Group Company Limited, a company listed on the Main Board of the Stock Exchange. He was also an independent non-executive director of China Solar Energy Holdings Limited, a company listed on the Stock Exchange, during the period from 28 March 2011 to 6 January 2012. Save as disclosed above, he has not held other directorship in other listed public companies in the past three years.

According to the service contract proposed to be entered into between Mr. Chong and the Company, his term of service is three years subject to the requirements on the re-election and retirement by rotation of directors at the subsequent annual general meeting of the Company in accordance with the provisions of the Company's Bye-Laws. He will receive a director's fee of HK\$200,000 per annum which is determined by the Remuneration Committee of the Company and the Board having regard to his duties and responsibilities and the prevailing market conditions.

Mr. Chong is not related to any directors, senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, within the meaning of Part XV of the SFO, he has no interests in the Shares.

Save as disclosed above, there was no information relating to Mr. Chong that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

Chan Sik Ming Harry, aged 59, has been an executive director of the Company since 1990. He is now the Chairman and the Chief Executive Officer of the Company responsible for the overall strategic planning for the Group. Apart from being the Chairman of the nomination committee and a member of the remuneration committee of the Company, he is also a director of all subsidiaries of the Company. Save as disclosed above, Mr. Chan has not held any other positions with other members of the Group as at the Latest Practicable Date nor did he hold any other positions in other listed public companies during the past three years.

Mr. Chan graduated from the University of Hitotsubashi in Japan with a Bachelor of Arts degree in Commerce in 1978. He has over 32 years of experience in the electronics industry. He is not related to any directors, senior management or substantial or controlling shareholders of the Company.

According to the service contract entered into between Mr. Chan and the Company, Mr. Chan has no fixed term of service. Under the service contract, he is entitled to a fixed amount of monthly salary which will increase at an annual rate of 10% on the first day of April each year along with the employer's contribution to provident fund equivalent to 5% of his monthly salary. The monthly salary for Mr. Chan is HK\$508,148 at present. He is also entitled to a management bonus calculated as a percentage of the consolidated net profit after taxation and extraordinary items of the Group which percentage shall be determined by the Board and in any event not exceeding 5% of such profit.

As at the Latest Practicable Date, within the meaning of Part XV of the SFO, Mr. Chan had personal interests in 39,680,000 Shares representing approximately 8.26% of the total issued share capital of the Company. Mr. Chan is also one of the beneficiaries of 103,921,417 Shares held by a trustee representing approximately 21.64% of the total issued share capital of the Company.

Save as disclosed above, there is no information relating to Mr. Chan that is required to be disclosed pursuant to Rules 13.51(2) of the Listing Rules.

Pursuant to "The Juko Laboratories Holdings Limited Company Act 1990" which is an Act of the Company's former name of Juko Laboratories Holdings Limited when it was first established, the Chairman of the Company is not required to be subject to rotation in accordance with the Bye-Laws. However, in the spirit of good corporate governance practice, the existing Chairman of the Company – Mr. Chan has agreed to retire on a voluntary basis at least once every three years at the annual general meeting. Hence, Mr. Chan shall be re-elected for a term of not more than approximately three years expiring at the conclusion of the third annual general meeting held in the third year following the year of re-election and on expiration of his term he shall be deemed a retiring director voluntarily and eligible for re-election.

NOTICE OF ANNUAL GENERAL MEETING



DAISHO MICROLINE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 0567)

NOTICE IS HEREBY GIVEN that the annual general meeting of the Company will be held at Room 730, 7/F., Kowloonbay International Trade & Exhibition Centre at 1 Trademart Drive, Kowloon Bay, Kowloon, Hong Kong on Monday, 26 August 2013 at 10:00 a.m. for the following purposes:

1. To receive and adopt the Audited Financial Statements and the Reports of the Directors and Auditors for the year ended 31 March 2013.
2. To appoint Mr. Chong Chi Wah as Director.
3. To re-elect Mr. Chan Sik Ming, Harry as Director.
4. To fix the number of Directors to twelve.
5. To authorise the Board of Directors to fix the remuneration of the Directors.
6. To appoint Crowe Horwath (HK) CPA Limited as Auditors for the ensuing year.
7. To authorise the Board of Directors to fix the remuneration of the Auditors.
8. As special business to consider and, if thought fit, pass the following resolution as an ordinary resolution with or without modifications:

“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 Shares of HK\$0.10 each in the capital of the Company and to make and grant offers, agreements and options (including bonds, warrants and debentures, notes and any securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant period (as hereinafter defined) to make or grant offers, arrangements and options (including bonds, warrants and debentures, notes and any securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require the exercise of such powers after the end of the Relevant Period;

NOTICE OF ANNUAL GENERAL MEETING

(c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue; (as hereinafter defined); (ii) an issue of shares as scrip dividends in accordance with the bye-laws of the Company from time to time, or (iii) an issue of shares upon the exercise of rights of subscription or conversion under the terms of any bonds, warrants, debenture, notes and any securities which carry rights to subscribe for or are convertible into shares of the Company; or (iv) an issue of shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to the grantees as specified in such scheme or arrangement or rights to acquire shares of the Company, shall not exceed 20 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution, and the said approval shall be limited accordingly; and

(d) for the purpose of this resolution,

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

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable law(s) of Bermuda to be held; or
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company to holders of shares of the Company on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares as at this date (subject to such exclusions 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 recognized regulatory body or any stock exchange in, any territory applicable to the Company).”

NOTICE OF ANNUAL GENERAL MEETING

9. As special business, to consider and, if thought fit, pass the following resolution as an ordinary resolution with or without modifications:

“THAT:

- (a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to purchase issued shares in the capital of the Company subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) The aggregate nominal amount of the share capital of the Company to be purchased or agreed conditionally or unconditionally to be purchased by the Directors pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company at the date of passing this resolution, and on the basis that no further shares are issued prior to the date of passing this resolution, exercise in full of the repurchase mandate would result in the repurchase by the Company of a maximum of 48,024,378 shares, and the said approval shall be limited accordingly; and
- (c) For the purpose of this resolution,

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

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

NOTICE OF ANNUAL GENERAL MEETING

10. As special business, to consider and, if thought fit, pass the following resolution as an ordinary resolution with or without modifications:

“**THAT** the exercise by the Directors of all powers of the Company to allot, issue and deal with additional shares in the capital of the Company in accordance with the general mandate granted pursuant to the resolution numbered 8 set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of shares of the Company purchased by the Company under the authority granted pursuant to the resolution numbered 9 set out in the notice convening this meeting provided that such amount shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company at the date of passing this resolution.”

By Order of the Board
Chan Sik Ming, Harry
Chairman

Hong Kong, 26 July 2013

Notes:

1. The chairman of the Annual General Meeting will put each of the above resolutions to be voted by way of a poll.
2. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company.
3. To be valid, the proxy form, together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited with the Company's branch 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 meeting or any adjournment thereof. Completion and return of the proxy form will not preclude any member from attending and voting in person at the meeting if the member so wishes.
4. An explanatory statement containing further details in respect of the resolution numbered 9 is set out in Appendix I of this Circular dated 26 July 2013.
5. With regard to the resolutions numbered 2 and 3 in this notice, the Board of Directors recommends to the members of the Company to vote for the appointment of Mr. Chong Chi Wah as Director and the re-election of Mr. Chan Sik Ming Harry as Director. The biographical information of Mr. Chong Chi Wah and Mr. Chan Sik Ming Harry are set out in the Appendix II to this Circular dated 26 July 2013.