

---

## 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 your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Lerado Group (Holding) Company Limited, you should at once hand this circular, together with the enclosed 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.

Hong Kong Exchange 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 howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

---



### **LERADO GROUP (HOLDING) COMPANY LIMITED**

**(隆成集團(控股)有限公司)\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1225)**

### **RENEWAL OF GENERAL MANDATE TO ISSUE SHARES AND TO REPURCHASE SHARES, RE-ELECTION OF DIRECTORS, ADOPTION OF NEW SHARE OPTION SCHEME AND NOTICE OF ANNUAL GENERAL MEETING**

---

A notice convening the Annual General Meeting of the Company to be held at Kennedy Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Monday, 28 May 2012 at 2:30 p.m. is set out on pages 28 to 32 of this circular. Whether or not you intend to be present and vote at the Annual General Meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong share registrar, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjourned meeting. The completion of a form of proxy will not preclude you from attending and voting at the Annual General Meeting in person should you so wish. If you attend and vote at the Annual General Meeting, the authority of your proxy will be revoked.

\* For identification purposes only

---

## CONTENTS

---

	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the Board</b> .....	3
<b>Appendix I — Explanatory Statement on the Repurchase Mandate</b> .....	9
<b>Appendix II — Details of the Directors to be re-elected</b> .....	13
<b>Appendix III — Summary of the Principal Terms of the New Share Option Scheme</b> .....	16
<b>Notice of Annual General Meeting</b> .....	28

---

## DEFINITIONS

---

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

“Annual General Meeting”	the annual general meeting of the Company to be held at Kennedy Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Monday, 28 May 2012 at 2:30 p.m., for the purpose of considering and if thought fit, approving the resolutions proposed in this circular
“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Board”	the Board of Directors
“Bye-Laws”	the bye-laws of the Company
“Company”	Lerado Group (Holding) Company Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Existing Share Option Scheme”	the existing share option scheme of the Company adopted on 30 May 2002
“General Mandate”	a general and unconditional mandate to be granted to the Directors to allot, issue, and otherwise deal with new Shares and other securities with an aggregate nominal amount not exceeding the sum of 20% of the issued share capital of the Company as at the date of passing of the relevant resolutions, and the aggregate nominal value of the share capital of the Company repurchased by the Company (if any)
“Group”	the Company and its subsidiaries

---

## DEFINITIONS

---

“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	16 April 2012, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Repurchase Mandate”	a general and unconditional mandate to the Directors to exercise the power of the Company to repurchase Shares in the capital of the Company up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the relevant resolutions
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) with a nominal value of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the same meaning ascribed to it under the Listing Rules
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“%”	per cent.

---

LETTER FROM THE BOARD

---



**LERADO GROUP (HOLDING) COMPANY LIMITED**

**(隆成集團(控股)有限公司)\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1225)**

*Executive Directors:*

Mr. HUANG Ying Yuan (*Chairman and Chief Executive Officer*)

Mrs. HUANG CHEN Li Chu (*Vice Chairman*)

Mr. CHEN Chun Chieh

Mr. CHEN Chao Jen

*Registered Office:*

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

*Principal Place of Business in*

*Hong Kong:*

Units 1-3, 30/F

Universal Trade Centre

3-5A, Arbuthnot Road

Central, Hong Kong

*Independent Non-executive Directors:*

Mr. LIM Pat Wah Patrick

Mr. HUANG Zhi Wei

Mr. CHERN Shyh Feng

23 April 2012

*To: the Shareholders of the Company*

Dear Sir or Madam,

**RENEWAL OF  
GENERAL MANDATE TO ISSUE SHARES AND  
TO REPURCHASE SHARES,  
RE-ELECTION OF DIRECTORS,  
ADOPTION OF NEW SHARE OPTION SCHEME  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the Annual General Meeting relating to the renewal of general mandates to allot, issue and deal with the Shares, to repurchase Shares, the re-election of Directors and the adoption of new share option scheme.

---

## LETTER FROM THE BOARD

---

At the Annual General Meeting, resolutions, amongst others, will be proposed for the Shareholders to approve (i) the renewal of the General Mandate and the Repurchase Mandate; (ii) the extension of the General Mandate to include Shares repurchased pursuant to the Repurchase Mandate; (iii) the re-election of Directors; and (iv) the adoption of new share option scheme.

### **RENEWAL OF GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES**

At the annual general meeting of the Company held on 31 May 2011, resolutions were passed giving general mandates to the Directors (i) to allot and issue Shares with an aggregate nominal value not exceeding 20% of the aggregate nominal value of the issued share capital of the Company as at the date of passing of the relevant resolutions and (ii) to repurchase shares in the capital of the Company up to 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolutions. Such general mandates will expire at the conclusion of the forthcoming Annual General Meeting.

At the Annual General Meeting, the following ordinary resolution will be proposed:

- (a) to grant the General Mandate to the Directors to exercise the powers of the Company to allot and issue Shares with an aggregate nominal value not exceeding 20% of the aggregate nominal value of the issued share capital of the Company as at the date of passing the resolution. The General Mandate will end on the earliest of the date of the next annual general meeting, the date by which the next annual general meeting of the Company is required to be held by the Bye-Laws or the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders at a general meeting of the Company;
- (b) to grant the Repurchase Mandate to the Directors to exercise all powers of the Company to repurchase issued Shares subject to the criteria set out in this circular. Under such Repurchase Mandate, the maximum number of Shares that the Company may repurchase shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the resolution. As at the Latest Practicable Date, the number of Shares in issue is 750,570,724 Shares. Subject to the passing of the proposed special resolution approving the granting of the Repurchase Mandate and assuming no further Shares are issued or repurchased prior to the Annual General Meeting, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 75,057,072 Shares, being 10% of the issued share capital of the Company as at the date of passing of the resolution in relation thereof. The Repurchase Mandate will end on the earliest of the date of

---

## LETTER FROM THE BOARD

---

the next annual general meeting, the date by which the next annual general meeting of the Company is required to be held by the Bye-Laws or the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders at a general meeting of the Company; and

- (c) subject to the passing of the aforesaid ordinary resolution of the General Mandate and the Repurchase Mandate, to extend the number of Shares to be issued and allotted under the General Mandate by an additional number representing such number of Shares repurchased under the Repurchase Mandate.

In accordance with the Listing Rules, an explanatory statement is set out in Appendix I to this circular to provide you with requisite information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolution to renew the grant of the Repurchase Mandate at the Annual General Meeting.

### **RE-ELECTION OF DIRECTORS**

In accordance with bye-laws 87 of the Bye-Laws, each of Mr. HUANG Ying Yuan, Mr. HUANG Zhi Wei, and Mr. CHERN Shyh Feng will retire from office of Directors at the Annual General Meeting. Mr. HUANG Ying Yuan, Mr. HUANG Zhi Wei, and Mr. CHERN Shyh Feng, the retiring Directors, being eligible, will offer themselves for re-election as Directors at the Annual General Meeting.

At the Annual General Meeting, ordinary resolutions will be proposed to re-elect Mr. HUANG Ying Yuan as executive Director, Mr. HUANG Zhi Wei and Mr. CHERN Shyh Feng as independent non-executive Directors. The biographical details of such re-electing Directors as required to be disclosed under the Listing Rules are set out in Appendix II to this circular.

### **ADOPTION OF NEW SHARE OPTION SCHEME**

The Existing Share Option scheme was adopted by the Company on 30 May 2002 for a term of 10 years and will expire on 29 May 2012. Pursuant to the Existing Share Option scheme, the directors of the Company were authorized to grant to eligible participants options to subscribe for Shares. As at the Latest Practicable Date, there were a total of 15,626,000 options granted and outstanding under the Existing Share Option scheme, of which the holders were entitled to subscribe for a total of 15,626,000 Shares.

---

## LETTER FROM THE BOARD

---

In light of the expiry of the Existing Share Option scheme and in order to enable the continuity of the share option scheme of the Company, the Directors wish to take the opportunity of the Annual General Meeting to seek Shareholders' approval for a new share option scheme (the "New Share Option Scheme") and simultaneously terminate the Existing Share Option Scheme.

Upon the termination of the Existing Share Option scheme, no further options shall be offered under the Existing Share Option scheme, but in all other respects the provisions of the Existing Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of options granted prior to its termination or otherwise as may be required in accordance with the provisions of the Existing Share Option Scheme and all options granted prior to such termination and not exercised at the date of termination shall remain valid. The Directors confirm that prior to the date of the Annual General Meeting, no further options will be granted under the Existing Share Option Scheme.

As at the Latest Practicable Date, the Company had 750,570,724 Shares in issue. Assuming that there is no change in the issued share capital between the period from the Latest Practicable Date and the date of the adoption of the New Share Option Scheme, the scheme limit for the New Share Option Scheme will be 75,057,072 Shares, representing 10% of the issued share capital of the Company as at the date of the adoption of the New Share Option Scheme, under Rule 17.03(3) of the Listing Rules, should the New Share Option Scheme be adopted.

None of the Directors will be a trustee of the New Share Option Scheme nor will have any direct or indirect interest in the trustees.

None of the Shareholders is required to abstain from voting on this resolution in relation to the adoption of the New Share Option Scheme.

The Company considers that it would not be appropriate to state the value of all options that could have been granted under the New Share Option Scheme as if they had been granted on the Latest Practicable Date, as a number of variables which are crucial for the calculation of the option value are yet to be determined. Such variables include the subscription price payable for the Shares, exercise period, any lock-up period and any performance target. The Company believes that any calculation of the value of the Options as at the Latest Practicable Date based on a number of speculative assumptions would be misleading to the Shareholders.



---

## LETTER FROM THE BOARD

---

A summary of the principal terms of the New Share Option Scheme is set out in “Appendix III – Summary of the Principal Terms of the New Share Option Scheme”. The rules of the New Share Option Scheme proposed to be adopted by the Company at the Annual General Meeting will be available for inspection at the Company’s principal place of business in Hong Kong at Units 1-3, 30/F, Universal Trade Centre, 3-5A, Arbuthnot Road, Central, Hong Kong during normal business hours from the date of this circular up to and including the date of Annual General Meeting and at the Annual General Meeting.

The terms of the New Share Option Scheme have been prepared in compliance with Chapter 17 of the Listing Rules. The Company will continue to comply with the relevant Listing Rules from time to time in force in respect of share option scheme.

### **ANNUAL GENERAL MEETING**

The Company will convene the Annual General Meeting at Kennedy Room, 7th Floor, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Monday, 28 May 2012 at 2:30 p.m. at which resolutions will be proposed for the purpose of considering and if thought fit, approving the resolutions set out in the notice of the Annual General Meeting as set out on pages 28 to 32 of this circular.

A form of proxy for use in connection with the Annual General Meeting is enclosed herewith. Whether or not you intend to be present and vote at the Annual General Meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company’s Hong Kong branch share registrar, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjournment thereof. The completion and delivery of a form of proxy will not preclude you from attending and voting at the Annual General Meeting in person should you so wish. If you attend and vote at the Annual General Meeting, the authority of your proxy will be revoked. Pursuant to Rule 13.39(4) of the Listing Rules, voting by the Shareholders at the Annual General Meeting will be by poll, except where the chairman of the Annual General Meeting, in good faith, decides to allow a resolution which related purely to a procedural or administrative matter to be voted by a show of hands.

---

## LETTER FROM THE BOARD

---

### RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement contained herein or this circular misleading.

### RECOMMENDATION

The Directors (including all the independent non-executive Directors) consider that the resolutions to be proposed at the Annual General Meeting are in the best interests of the Company as well as its Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of all the resolutions to be proposed at the Annual General Meeting.

Yours faithfully  
By Order of the Board  
**HUANG Ying Yuan**  
*Chairman*

*This is an explanatory statement given to all Shareholders relating to a resolution to be proposed at the Annual General Meeting for approving the Repurchase Mandate. This explanatory statement contains all the information required pursuant to Rule 10.06(1)(b) and other relevant provisions of the Listing Rules which is set out as follows:*

### **1.    SHARE CAPITAL**

As at the Latest Practicable Date, there was a total of 750,570,724 Shares in issue. Subject to the passing of the resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased during the period from the Latest Practicable Date to the Annual General Meeting, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 75,057,072 Shares, being 10% of the issued share capital of the Company as at the date of the passing of the relevant resolution at the Annual General Meeting.

### **2.    REASONS FOR SHARE REPURCHASE**

The Directors have no present intention to repurchase any Shares but consider that the ability to do so would give the Company additional flexibility that would be beneficial to the Company and the Shareholders as such repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets value of the Company and/or its earning per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders as a whole.

### **3.    FUNDING OF REPURCHASE**

Pursuant to the Repurchase Mandate, repurchases would be funded entirely from the Company's available cash flow or working capital facilities derived from the distributable profits of the Company which would otherwise be available for dividend or other distributions which will be funds legally available for the purpose in accordance with the Bye-laws and the laws of Bermuda.

As compared with the financial position of the Company as at 31 December 2011 (as disclosed in its latest audited financial statements for the year ended 31 December 2011), the Directors consider that there might be any material adverse impact on the working capital and on the gearing position of the Company in the event that the proposed repurchase were to be carried out in full during the proposed repurchase period. In the circumstances, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would have a material adverse impact on the working capital or gearing ratio of the Company.

**4.      DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS**

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

No connected person of the Company (as defined in the Listing Rules) has notified the Company that he/she/it has a present intention to sell Shares to the Company nor has he/she/it undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Repurchase Mandate is granted by the Shareholders.

**5.      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 powers of the Company to make repurchases pursuant to the Repurchase Mandate and in accordance with the Listing Rules, the Bye-Laws and the laws of Hong Kong and Bermuda.

**6.      EFFECT OF TAKEOVERS CODE**

A repurchase of Shares by the Company may result in an increase in the proportionate interests of a substantial shareholder of the Company in the voting rights of the Company, which could give rise to an obligation to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

In the event that the Directors exercise in full the power to repurchase the Shares which is proposed to be granted pursuant to the Repurchase Mandate, the shareholding of the substantial shareholders in the Company will be as follows and will give rise to a mandatory offer obligation under Rules 26 or 32 of the Takeovers Code:-

<b>Substantial shareholders</b>	<b>Percentage of shareholdings in the Company as at the Latest Practicable Date</b>	<b>Percentage of shareholdings in the Company after the Directors exercise in full the power to repurchase the Shares</b>
Intelligence Hong Kong Group Limited (Note 1)	19.8%	22.0%
Hwa Foo Investment Limited (Note 2)	12.9%	14.3%
Huang Ying Yuan (Note 3)	0.4%	0.4%
Huang Chen Li Chu (Note 3)	0.2%	0.2%
Chen Chun Chieh	0.1%	0.2%
	<u>33.4%</u>	<u>37.1%</u>

Notes:

- Intelligence Hong Kong Group Limited is controlled by Mr. Huang Ying Yuan and Mrs. Huang Chen Li Chu.
- Hwa Foo Investment Limited is controlled by Mr. Chen Chun Chieh. Mr. Chen Chun Chieh hold 13.0% as at the Latest Practicable Date and 14.5% if the Maximum Number of Shares are repurchased.
- Mrs. Huang Chen Li Chu is the spouse of Mr. Huang Ying Yuan. The percentages above indicate their respective shareholdings individually. In the event that Mrs. Huang Chen Li Chu and Mr. Huang Ying Yuan are deemed to be parties acting in concert under the Takeovers Code, they would hold 20.4% in aggregate as at the Latest Practicable Date and 22.6% in aggregate if the Maximum Number of Shares are repurchased.

The Company has no intention to exercise the Repurchase Mandate to such extent that it would give rise to an obligation to make a mandatory offer under the Takeovers Code or result in the amount of shares held by the public being reduced to less than 25% of the issued share capital of the Company.

**7.    SHARE REPURCHASES 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.

**8.    SHARE PRICES**

During each of the previous 12 months up to the Latest Practicable Date, the highest and lowest traded prices for Shares on the Stock Exchange were as follows:

	<b>Highest</b>	<b>Lowest</b>
	<i>HK\$</i>	<i>HK\$</i>
<b>2011</b>		
April	1.48	1.38
May	1.41	1.26
June	1.29	1.19
July	1.27	0.85
August	0.88	0.69
September	0.80	0.54
October	0.75	0.53
November	0.75	0.64
December	0.78	0.63
<b>2012</b>		
January	0.84	0.67
February	0.99	0.80
March	0.87	0.74
April (up to the Latest Practicable Date)	0.82	0.76

*The biographical details of the Directors proposed to be re-elected at the Annual General Meeting are set out as follows:*

**Mr. HUANG Ying Yuan**

Mr. HUANG Ying Yuan, aged 61, is a founding member and the chairman of the Group. Mr. Huang has 35 years of experience in the infant products industry. Mr. Huang oversees the Group's strategic planning and has particular responsibility for marketing.

Mr. Huang is the husband of Mrs. Huang Chen Li Chu, vice chairman of the Company, and a cousin-in-law of Mr. Chen Chao Jen, a director of the Company. Saved disclosed herein, Mr. Huang does not have any relationship with any directors, senior management, substantial or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Huang was interested in 152,553,540 Shares, representing approximately 20.4% of the issued share capital of the Company, within the meaning of Part XV of the SFO. Saved as disclosed herein, Mr. Huang has no other interest in the Company which is discloseable under Part XV of the SFO.

Mr. Huang has entered into a service contract with the Company for a term of three years, subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-Laws. Mr. Huang received an annual director's emolument of approximately HK\$2,199,464 for the year ended 31 December 2011.

**Mr. HUANG Zhi Wei**

Mr. HUANG Zhi Wei, aged 73, is currently the Executive Vice President of Guangdong General Chamber of Commerce. Mr. Huang has spent over a decade in economic-related government sectors in China. He served as the deputy director general of Guangdong Department of Foreign Trade & Economic Cooperation and the director general of Guangdong Board of Investment from 1993 to 2000, respectively. He also served as the executive officer of Foshan Economic Committee from 1984 to 1992. Prior to this, he worked as an engineer in Foshan Power Plant for around 10 years and served as the chief engineer and deputy general manager of Foshan Household Electrical Appliances Corporation from 1981 to 1984. Mr. Huang graduated from the Central China University of Science and Engineering, majored in electric engineering. Mr. Huang is also an independent Director of Keda Industrial Co., Ltd. (Stock code: SHA:600499), a company listed on The Shanghai Stock Exchange. Mr. Huang was appointed as an independent non-executive Director of the Company on 30 September 2004.

Saved as disclosed herein, Mr. Huang held no other directorships in any listed public companies in the last three years. Mr. Huang does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Huang has no interest in the Company which is discloseable under Part XV of the SFO.

The appointment of Mr. Huang as an independent non-executive Director of the Company is for a fixed term of three years commencing April 2012. There is no service contract between Mr. Huang and the Company. Mr. Huang is entitled to receive an annual remuneration of HK\$187,500 and additional fee of HK\$10,000 for physically attending each full board meeting. Total director's fee paid to Mr. Huang for the year ended 31 December 2011 amounted to HK\$227,500.

### **Mr. CHERN Shyh Feng**

Mr. CHERN Shyh Feng, aged 44, is the founder and Chairman of Paralink Asset Management Asia Limited. Mr. Chern has extensive experience in banking, finance and accounting and held executive positions at several international financial institutions and listed companies. Mr. Chern obtained his bachelor degree in accounting from the Ohio State University in the United States of America and master degrees in accounting and business administration in finance respectively from the University of Illinois in United States of America. Mr. Chern has held executive positions at several investment banks, securities houses and asset management companies in Taiwan, Shanghai and Hong Kong. He was a lecturer of Taiwan Securities and Futures Markets International Development Fund and Faculty of Banking and Finance of Tamkang University in Taipei. Mr. Chern was appointed as an independent non-executive Director of the Company in 6 November 2009.

Saved as disclosed herein, Mr. Chern held no other directorships in any listed public companies in the last three years. Mr. Chern does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Chern has no interest in the Company which is discloseable under Part XV of the SFO.

The appointment of Mr. Chern as an independent non-executive Director of the Company is for a fixed term of three years commencing November 2011. There is no service contract between Mr. Chern and the Company. Mr. Chern is entitled to receive an annual remuneration of HK\$187,500 and additional fee of HK\$10,000 for physically attending each full board meeting. Total director's fee paid to Mr. Chern for the year ended 31 December 2011 amounted to HK\$217,500.



Saved as mentioned above, the remuneration of the above directors is determined with reference to previous experience, duties and performance of each director, and the Company's profitability, as well as remuneration benchmark in the industry and the prevailing market conditions.

**OTHERS**

There is no other information relating to the above Directors that is required to be disclosed pursuant to Rule 13.51(2) sub-paragraphs (h) to (v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders.

*The following is a summary of the principal terms of the New Share Option Scheme to be adopted at the Annual General Meeting.*

**(a) Purpose**

The New Share Option Scheme is a share incentive scheme prepared in accordance with Chapter 17 of the Listing Rules and is established to recognize and acknowledge the contributions the Eligible Participants (as defined in paragraph (b) below) had or may have made to the Group. The New Share Option Scheme will provide the Eligible Participants an opportunity to have a personal stake in the Company with the view to achieving the following objectives:

- (i) to motivate the Eligible Participants to optimize their performance efficiency for the benefit of the Group; and
- (ii) to attract and retain or otherwise maintain on-going business relationship with the Eligible Participants whose contributions are or will be beneficial to the long-term growth of the Group.

**(b) Who may join**

The Board may, at its discretion, offer to grant an option to the following persons (collectively the “Eligible Participants”) to subscribe for such number of new Shares as the Board may determine at an exercise price determined in accordance with paragraph (f) below to:

- (i) any full-time employees, executives or officers of the Company or any of its subsidiaries; and
- (ii) any advisors, consultants, suppliers, agents and such other persons who have contributed to the Group.

Upon acceptance of the option, the grantee shall pay HK\$1.00 to the Company by way of consideration for the grant. Any offer to grant an option to subscribe for Shares may be accepted in respect of less than the number of Shares for which it is offered provided that it is accepted in respect of a board lot of dealing in Shares on the Stock Exchange or an integral multiple thereof

and such number is clearly stated in the duplicate offer document constituting the acceptance of the option. To the extent that the offer to grant an option is not accepted by any prescribed acceptance date, it shall be deemed to have been irrevocably declined.

**(c) Acceptance of an offer of options**

An option shall be deemed to have been granted and accepted by the grantee and to have taken effect when the duplicate offer document constituting acceptances of the options duly signed by the grantee, together with a remittance in favor of the Company of HK\$1.00 by way of consideration for the grant thereof, is received by the Company on or before the relevant acceptance date. Such remittance shall in no circumstances be refundable. Any offer to grant an option to subscribe for Shares may be accepted in respect of less than the number of Shares for which it is offered provided that it is accepted in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate offer document constituting acceptance of the option. To the extent that the offer to grant an option is not accepted by any prescribed acceptance date, it shall be deemed to have been irrevocably declined.

Subject to paragraphs (l), (m), (n) and (o), an option shall be exercised in whole or in part and, other than where it is exercised to the full extent outstanding, shall be exercised in integral multiples of such number of Shares as shall represent one board lot for dealing in Shares on the Stock Exchange for the time being, by the grantee by giving notice in writing to the Company stating that the option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the exercise price for the Shares in respect of which the notice is given. Within 30 days after receipt of the notice and the remittance and, where appropriate, receipt of the certificate by the auditors to the Company or the approved independent financial advisor as the case may be pursuant to paragraph (q), the Company shall allot and issue the relevant number of Shares to the grantee credited as fully paid and issue to the grantee certificates in respect of the Shares so allotted.

The exercise of any option shall be subject to the Shareholders in a general meeting approving any necessary increase in the authorized share capital of the Company.

**(d) Maximum number of Shares**

The maximum number of Shares in respect of which options may be granted under the New Share Option Scheme and under any other share option schemes of the Company must not in aggregate exceed 10% of the total number of Shares in issue, excluding for this purpose Shares which would have been issuable pursuant to options which have lapsed in accordance with the terms of the New Share Option Scheme (or any other share option schemes of the Company). Subject to the issue of a circular by the Company and the approval of the Shareholders in general meeting and/or such other requirements prescribed under the Listing Rules from time to time, the Board may:

- (i) renew this limit at any time to 10% of the Shares in issue as of the date of the approval by the Shareholders in general meeting; and/or
- (ii) grant options beyond the 10% limit to Eligible Participants specifically identified by the Board before the Shareholders' approval for the increase in the limit is sought. The circular issued by the Company to the Shareholders shall contain a generic description of the specified Eligible Participants who may be granted such options, the number and terms of the options to be granted, the purpose of granting options to the specified Eligible Participants with an explanation as to how the options serve such purpose, the information required under Rule 17.02(2)(d) and the disclaimer required under Rule 17.02(4) of the Listing Rules.

Notwithstanding the foregoing and subject to paragraph (q) below, the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company at any time shall not exceed 30% of the Shares in issue from time to time. No options shall be granted under any schemes of the Company (including the New Share Option Scheme) if this will result in the 30% limit being exceeded. The maximum number of Shares in respect of which options may be granted shall be adjusted, in such manner as the auditors of the Company or an approved independent financial advisor shall certify to be appropriate, fair and reasonable in the event of any alteration in the capital structure of the Company in accordance with paragraph (q) below whether by way of consolidation, capitalization issue, rights issue, sub-division or reduction of the share capital of the Company but in no event shall exceed the limit prescribed in this paragraph.

**(e) Maximum number of options to any one individual**

The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the New Share Option Scheme and any other share option schemes of the Company (including both exercised and outstanding options) to each Eligible Participant in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue as of the date of grant. Any further grant of options in excess of this 1% limit shall be subject to:

- (i) the issue of a circular by the Company containing the identity of the Eligible Participant, the numbers of and terms of the options to be granted (and options previously granted to such participant) the information as required under Rules 17.02(2)(d) and the disclaimer required under 17.02(4) of the Listing Rules; and
- (ii) the approval of the shareholders in general meeting and/or other requirements prescribed under the Listing Rules from time to time with such Eligible Participant and his associates (as defined in the Listing Rules) abstaining from voting. The numbers and terms (including the exercise price) of options to be granted to such participant must be fixed before the Shareholders' approval and the date of the Board meeting at which the Board proposes to grant the options to such Eligible Participant shall be taken as the date of grant for the purpose of calculating the subscription price of the Shares.

If the Board determines to offer an option to an Eligible Participant, the Board shall forward to such Eligible Participant an offer document in such form as the Board may from time to time determine (or, alternatively, documents accompanying the offer document which state), among others:

- (aa) the Eligible Participant's name, address and occupation;
- (bb) the date on which an option is offered to an Eligible Participant;
- (cc) the date upon which an offer for an option must be accepted;
- (dd) the date upon which an option is deemed to be granted and accepted in accordance with paragraph (c);
- (ee) the number of Shares in respect of which the option is offered;

- (ff) the subscription price and the manner of payment of such price for the Shares on and in consequence of the exercise of the option;
- (gg) the date of the notice given by the grantee in respect of the exercise of the option; and
- (hh) the method of acceptance of the option which shall, unless the Board otherwise determines, be as set out in paragraph (c).

**(f) Price of Shares**

Subject to any adjustments made as described in paragraph (q) below, the subscription price of a Share in respect of any particular option granted under the New Share Option Scheme shall be such price as the Board in its absolute discretion shall determine, save that such price must be at least the higher of:

- (i) the official closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the date of grant, which must be a day on which the Stock Exchange is open for the business of dealing in securities;
- (ii) the average of the official closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and
- (iii) the nominal value of a Share.

**(g) Granting options to connected persons**

Any grant of options to a director, chief executive or substantial shareholder (as defined in the Listing Rules) of the Company or any of their respective associates (as defined in the Listing Rules) is required to be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the options). If the Board proposes to grant options to a substantial shareholder or any independent non-executive Director or their respective associates (as defined in the Listing Rules) which will result in the number of Shares issued and to be issued upon exercise of options granted and to be granted (including options exercised, canceled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (i) representing in aggregate over 0.1% of the Shares in issue; and

- (ii) having an aggregate value in excess of HK\$5 million, based on the official closing price of the Shares at the date of each grant,

such further grant of options will be subject to the issue of a circular by the Company and the approval of the shareholders in general meeting on a poll at which all connected persons (as defined in the Listing Rules) of the Company shall abstain from voting except that a connected person of the Company may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in that circular which complies with Rules 17.04 and 17.06 of the Listing Rules, and/or such other requirements as prescribed under the Listing Rules from time to time. Any vote taken at the meeting to approve the grant of such options shall be taken as a poll.

The circular to be issued by the Company to the shareholders pursuant to the above paragraph shall contain the following information:

- (i) the details of the number and terms (including the exercise price) of the options to be granted to each selected Eligible Participant which must be fixed before the shareholders' meeting and the date of Board meeting for proposing such further grant shall be taken as the date of grant for the purpose of calculating the exercise price of such options;
- (ii) a recommendation from the independent non-executive Directors (excluding the independent non-executive Director who is the relevant Eligible Participant) to the independent shareholders as to voting; and
- (iii) the information required under Rules 2.17 and 17.02(2)(c) and (d) and the disclaimer required under Rule 17.02(4) of the Listing Rules.

**(h) Restrictions on the times of grant of options**

A grant of options may not be made after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision until such price sensitive information has been published pursuant to the requirements of the Listing Rules. In particular, during the period commencing one month immediately preceding the earlier of (i) the date of the Board meeting for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (ii) the deadline for the Company to publish results for any year, half-year under the Listing Rules, or quarterly or any other interim

period (whether or not required under the Listing Rules), and ending on the date of the results announcement, no option may be granted. The period during which no option may be granted will cover any period of delay in the publication of a results announcement.

**(i) Rights are personal to grantee**

An option is personal to the grantee and may be exercised or treated as exercised, as the case may be, in whole or in part. No grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favor of any third party over or in relation to any option or attempt so to do (save that the grantee may nominate a nominee in whose name the Shares issued pursuant to the New Share Option Scheme may be registered). Any breach of the foregoing shall entitle the Company to cancel any outstanding options or any part thereof granted to such grantee.

**(j) Time of exercise of option and duration of the New Share Option Scheme**

An option may be exercised in accordance with the terms of the New Share Option Scheme at any time after the date upon which the option is deemed to be granted and accepted and prior to the expiry of 10 years from that date. The period during which an option may be exercised will be determined by the Board in its absolute discretion, save that no option may be exercised more than 10 years after it has been granted. No option may be granted more than 10 years after the date of approval of the New Share Option Scheme. Subject to earlier termination by the Company in general meeting or by the Board, the New Share Option Scheme shall be valid and effective for a period of 10 years from the date of its adoption.

**(k) Performance target**

A grantee may be required to achieve any performance targets as the Board may then specify in the grant before any options granted under the New Share Option Scheme can be exercised.

**(l) Rights on ceasing employment or death**

If the grantee of an option ceases to be an employee of the Company or any of its subsidiaries (i) by any reason other than death or termination of his employment on the grounds specified in paragraph (m) below, the grantee may exercise the option



up to the entitlement of the grantee as of the date of cessation (to the extent not already exercised) within such period to be determined in the absolute discretion of the Board following the date of such cessation, which date shall be the last actual working day with the Company or the relevant subsidiary whether salary is paid in lieu of notice or not; or (ii) by reason of death, his personal representative(s) may exercise the option within a period of one month from such cessation, which date shall be the last actual working day with the Company or the relevant subsidiary whether salary is paid in lieu of notice or not, failing which it will lapse.

**(m) Rights on dismissal**

If the grantee of an option ceases to be an employee of the Company or any of its subsidiaries on the grounds that he has been guilty of serious misconduct, or in relation to an employee of the Group (if so determined by the Board) on any other ground on which an employee would be entitled to terminate his employment at common law or pursuant to any applicable laws or under the grantee's service contract with the Group, or has committed any act of bankruptcy or is unable to pay his debts or has become insolvent or has made any arrangement or has compromised with his creditors generally, or has been convicted of any criminal offense involving his integrity or honesty, his option will lapse and not be exercisable after the date of termination of his employment.

**(n) Rights on takeover**

If a general offer is made to all the shareholders (or all such shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror (as defined in the Takeovers Codes)) or is declared unconditional during the option period of the relevant option, the grantee of an option shall be entitled to exercise the option in full (to the extent not already exercised) at any time within one month after the date on which the offer becomes or is declared unconditional.

Subject to paragraph (l) above, if a general offer by way of a scheme of arrangement is made to all the Shareholders and the scheme has been approved by the necessary number of Shareholders at the requisite meetings, the relevant Eligible Participant who has been granted options (or his or her legal personal representatives) may, thereafter (but before such time as shall be notified by the Company and in any case, before the scheme becomes effective) exercise the option to its full extent or to the extent specified in such notice.

**(o) Rights on winding-up**

In the event of an effective resolution being passed for the voluntary winding-up of the Company, the relevant Eligible Participant who has been granted options (or his or her legal personal representatives) may by notice in writing to the Company within 21 days after the date of such resolution elect to be treated as if the option (to the extent not already exercised) had been exercised immediately before the passing of such resolution either to its full extent or to the extent specified in such notice and shall accordingly be entitled to receive out of the assets available in the liquidation *pari passu* with the holders of Shares such sum as would have been received in respect of the Shares the subject of such election reduced by an amount equal to the exercise price of the option which would have been payable in respect thereof.

**(p) Ranking of Shares**

The Shares to be allotted upon the exercise of an option will not carry voting rights until completion of the registration of the grantee (or any other person) as the holder thereof. Subject to the aforesaid, Shares allotted and issued on the exercise of options will rank *pari passu* in all respects and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation as attached to the other fully-paid Shares in issue on the date of exercise.

**(q) Effect of alterations to capital**

In the event of any alteration in the capital structure of the Company whilst any option may become or remains exercisable, whether by way of capitalization issue, rights issue, open offer, consolidation, sub-division or reduction of share capital of the Company, or otherwise howsoever, such corresponding alterations (if any) shall be made in the number or nominal amount of Shares subject to any options so far as unexercised and/or the subscription price per Share of each outstanding option as the auditors of the Company or an independent financial advisor shall certify in writing to the Board to be in their/his opinion fair and reasonable in compliance with Rule 17.03(13) of the Listing Rules and the note thereto and/or such other requirement prescribed under the Listing Rules from time to time. The capacity of the auditors of the Company or the approval independent financial advisor, as the case may be, in this paragraph is that of experts and not arbitrations and their certificate shall, in absence of manifest error, be final and conclusive and binding on the Company and the grantees.

Any such alterations will be made on the basis that a grantee shall have the same proportion of the issued share capital of the Company for which any grantee of an option is entitled to subscribe pursuant to the options held by him before such alteration and the aggregate subscription price payable on full exercise of any option is to remain as nearly as possible the same (and in any event not greater than) as it was before such event. No such alteration will be made the effect of which would be to enable a Share to be issued at less than its nominal value. The issue of securities as consideration in a transaction is not to be regarded as a circumstance requiring any such alterations.

**(r) Expiration of option**

An option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

- (i) the date of expiration of the option as may be determined by the Board;
- (ii) the expiration of any of the periods referred to in paragraphs (l), (m), (n) or (o);
- (iii) the date on which the scheme of arrangement of the Company referred to in paragraph (n) becomes effective;
- (iv) the date of commencement of the winding-up of the Company;
- (v) the date on which the grantee ceases to be an Eligible Participant by reason of termination of his or her relationship with the Company and/or any of its subsidiaries on any one or more of the grounds that he or she has been guilty of serious misconduct, or has committed any act of bankruptcy or is unable to pay his debts or has become insolvent or has made any arrangement or has compromised with his creditors generally, or has been convicted of any criminal offense involving his integrity or honesty or in relation to an employee of the Group (if so determined by the Board) on any other ground on which an employee would be entitled to terminate his employment at common law or pursuant to any applicable laws or under the grantee's service contract with the Group. A resolution of the Board to the effect that the employment of a grantee has or has not been terminated on one or more of the grounds specified in this paragraph shall be conclusive; or

- (vi) the date on which the Board shall exercise the Company's right to cancel the option at any time after the grantee commits a breach of paragraph (i) above or the options are canceled in accordance with paragraph (t) below.

**(s) Alteration of the New Share Option Scheme**

The New Share Option Scheme may be altered in any respect by resolution of the Board except that:

- (i) any alteration to the advantage of the grantees or the Eligible Participants (as the case may be) in respect of the matters contained in Rule 17.03 of the Listing Rules; and
- (ii) any material alteration to the terms and conditions of the New Share Option Scheme or any change to the terms of options granted,

shall first be approved by the shareholders in general meeting provided that if the proposed alteration shall adversely affect any option granted or agreed to be granted prior to the date of alteration, such alteration shall be further subject to the grantees' approval in accordance with the terms of the New Share Option Scheme. The amended terms of the New Share Option Scheme shall still comply with Chapter 17 of the Listing Rules and any change to the authority of the Board in relation to any alteration to the terms of the New Share Option Scheme must be approved by shareholders in general meeting.

**(t) Cancellation of options**

Subject to paragraph (i) above, any cancellation of options granted but not exercised must be approved by the grantees of the relevant options. For the avoidance of doubt, such approval is not required in the event any Option is cancelled pursuant to paragraph (m).

**(u) Termination of the New Share Option Scheme**

The Company may by resolution in general meeting or the Board at any time terminate the New Share Option Scheme and in such event no further option shall be offered but the provisions of the New Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any option granted prior thereto

or otherwise as may be required in accordance with the provisions of the New Share Option Scheme. Options granted prior to such termination but not yet exercised at the time of termination shall continue to be valid and exercisable in accordance with the New Share Option Scheme.

**(v) Administration of the Board**

The New Share Option Scheme shall be subject to the administration of the Board whose decision as to all matters arising in relation to the New Share Option Scheme or its interpretation or effect (save as otherwise provided herein) shall be final and binding on all parties.

**(w) Condition of the New Share Option Scheme**

The New Share Option Scheme is conditional on the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Shares which may fall to be issued pursuant to the exercise of options to be granted under the New Share Option Scheme.

If the condition in this paragraph is not satisfied within two calendar months after the Adoption Date:

- (i) the New Share Option Scheme shall forthwith determine;
- (ii) any option granted or agreed to be granted pursuant to the New Share Option Scheme and any offer of such a grant shall be of no effect; and
- (iii) no person shall be entitled to any rights or benefits or be under any obligations under or in respect of the New Share Option Scheme or any option granted thereunder.

---

# NOTICE OF ANNUAL GENERAL MEETING

---



## LERADO GROUP (HOLDING) COMPANY LIMITED

(隆成集團(控股)有限公司)\*

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 1225)

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of Lerado Group (Holding) Company Limited (the “**Company**”) will be held at Kennedy Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Monday, 28 May 2012 at 2:30 p.m. for the following purposes:

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited consolidated financial statements and the reports of the directors of the Company (the “**Directors**”) and the auditors of the Company for the year ended 31 December 2011;
2. To declare a final dividend of 2.0 cents per ordinary share for the year ended 31 December 2011 to the shareholders of the Company which shall be paid out of the share premium of the Company;
3. To re-elect the following Directors:
  - (a) Mr. HUANG Ying Yuan as executive Director;
  - (b) Mr. HUANG Zhi Wei as independent non-executive Director; and
  - (c) Mr. Chern Shyh Feng as independent non-executive Director;
4. To authorise the board of Directors to fix the Directors’ remuneration;
5. To re-appoint Deloitte & Touche Tohmatsu as auditors of the Company and authorise the board of Directors to fix their remuneration;

---

## NOTICE OF ANNUAL GENERAL MEETING

---

### SPECIAL BUSINESS

6. To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“**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 and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall be in addition to any other authorisation gives to the Directors and shall authorise the Directors during the Relevant Period to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a), otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) the share option scheme of the Company approved by The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”); or (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the bye-laws of the Company, shall not exceed 20% 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 purposes of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest 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 to be held; and

---

## NOTICE OF ANNUAL GENERAL MEETING

---

- (iii) the date upon which the authority set out in this resolution is revoked or varied by way of ordinary resolution of the Company in general meeting; and

“**Rights Issue**” means an offer of shares open for a period fixed by the Directors to holders of ordinary shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the Directors 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 regulatory body or any stock exchange in, any territory outside Hong Kong).”;

- 7. To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“**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 make market purchases of 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 as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to purchase its shares at a price determined by the Directors;
- (c) the aggregate nominal amount of shares of the Company which are authorised to be purchased by the Directors pursuant to the approval in paragraph (a) above shall not exceed 10% 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



---

## NOTICE OF ANNUAL GENERAL MEETING

---

(d) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest 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 to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by way of ordinary resolution of the Company in general meeting.”;

8. To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“**THAT** conditional upon the passing of resolutions nos. 6 above and 7 above, the general mandate to the Directors pursuant to resolution no. 6 be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of share capital of the Company purchased by the Company under the authority granted pursuant to the resolution no. 7, provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution.”

9. To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“**THAT:**

- (a) subject to and conditional upon the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of any options granted under the new share option scheme (the “New Share Option Scheme”), a copy of which marked “A” is produced to the meeting and for the purpose of identification signed by the chairman hereof, the New Share Option Scheme be and is hereby approved and adopted by the Company and that the directors of the Company be and are hereby authorised to grant options to the eligible participants under the New Share Option Scheme and to allot and issue Shares upon the exercise of any options granted thereunder and pursuant to the terms and conditions thereof, and to do all such acts, matters and things as they may in their discretion consider necessary, expedient or desirable to give effect to and implement the New Share Option Scheme; and

---

## NOTICE OF ANNUAL GENERAL MEETING

---

- (b) the existing share option scheme of the Company adopted on 30 May 2002 be hereby terminated with immediate effect (such that no further options could thereafter be offered under the existing share option scheme of the Company) but in all other respects the provisions of the existing share option scheme of the Company shall remain in full force and effect to the extent necessary to give effect to the exercise of options granted prior to its termination or otherwise as may be required in accordance with the provisions of the existing share option scheme of the Company.”

By Order of the Board  
**HUANG Ying Yuan**  
*Chairman*

Hong Kong, 23 April 2012

*Notes:*

- (1) Any member of the Company entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Company. A member who is the holder of two or more shares of the Company may appoint more than one proxy to represent him to attend and vote on his behalf. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
- (2) In the case of joint holders of any Shares such persons shall not have the right of voting individually in respect of such shares but shall elect one of their number to represent them and to vote whether personally or by proxy in their name. In default of such election the person whose name appears first in order in the register of members of the Company in respect of such share shall be the only person entitled to vote in respect thereof.
- (3) In order to be valid, a form of proxy together with the power of attorney (if any) or other authority (if any) under which it is signed or a certified copy thereof shall be deposited at the Company's Hong Kong branch share registrar, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a member of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked. The proxy form will be published on the website of the Stock Exchange.
- (4) The register of members of the Company will be closed from 24 May 2012 to 28 May 2012 (both days inclusive) during which period no transfer of shares will be registered. In order to qualify for the entitlement to attend and vote at the forthcoming Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 23 May 2012.

*As at the date of this announcement, the Board of Directors of the Company comprises Mr. Huang Ying Yuan, Ms. Huang Chen Li Chu, Mr. Chen Chun Chieh and Mr. Chen Chao Jen being the Executive Directors, and Mr. Lim Pat Wah Patrick, Mr. Huang Zhi Wei and Mr. Chern Shyh Feng being the Independent Non-executive Directors.*