
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Alltronics Holdings Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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ALLTRONICS HOLDINGS LIMITED

華訊股份有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 833)

(1) PROPOSED RE-ELECTION OF DIRECTORS
(2) GENERAL MANDATES TO BUY BACK SHARES
AND TO ISSUE NEW SHARES OF THE COMPANY
(3) PROPOSED BONUS ISSUE OF SHARES
AND
(4) NOTICE OF ANNUAL GENERAL MEETING

A notice convening the annual general meeting of Alltronics Holdings Limited to be held at Unit 2401-02, Admiralty Centre I, 18 Harcourt Road, Hong Kong on Thursday, 1 June 2017 at 11:00 a.m. is set out on pages 24 to 28 of this circular. A form of proxy for use at the annual general meeting is also enclosed. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.irasia.com/listco/hk/alltronics/) respectively.

If you do not propose to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to the Company's Branch Share Registrar in Hong Kong, Tricor Tengis Limited, at 22/F, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the Annual General Meeting (i.e. not later than 11:00 a.m. on Tuesday, 30 May 2017). Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the meeting should they so wish.

References to time and dates in this circular are to Hong Kong time and dates.

26 April 2017

DEFINITIONS

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

“Annual General Meeting” or “AGM”	an annual general meeting of the Company to be held at Unit 2401-02, Admiralty Centre I, 18 Harcourt Road, Hong Kong on Thursday, 1 June 2017 at 11:00 a.m. to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 24 to 28 of this circular or any adjournment thereof;
“Associates”	has the same meaning ascribed to such term in the Listing Rules;
“Board”	the board of Directors;
“Bonus Issue”	the proposed bonus issue of Shares on the basis of eight Bonus Shares for every ten existing Shares in issue on the Record Date;
“Bonus Shares”	new Shares proposed to be issued pursuant to the Bonus Issue;
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC;
“Close Associates”	has the same meaning ascribed to such term in the Listing Rules;
“Company”	Alltronics Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange;
“Connected Person(s)”	has the same meaning ascribed to such term in the Listing Rules;
“Core Connected Person(s)”	has the same meaning ascribed to such term in the Listing Rules;
“Corporate Governance Code”	the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 of the Listing Rules;
“Current Articles of Association”	the current articles of association of the Company;
“Director(s)”	director(s) of the Company;

DEFINITIONS

“Excepted Shareholder(s)”	those Overseas Shareholder(s) whom the Board, after making relevant enquiries, considers it necessary or expedient on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place not to extend the Bonus Issue to them;
“Group”	the Company and its subsidiaries;
“HKSCC”	Hong Kong Securities Clearing Company Limited;
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China;
“Issuance Mandate”	as defined in paragraph 3(b) of the Letter from the Board;
“Latest Practicable Date”	21 April 2017, 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;
“Non-Qualifying Shareholder(s)”	those Overseas Shareholder(s) and other person(s) to whom the Directors, after making relevant enquiries, consider it necessary or expedient not to offer the Bonus Shares on account of either the legal restrictions under the laws of a place outside Hong Kong or the requirements of the relevant regulatory body or stock exchange in that place;
“Overseas Shareholder(s)”	holder(s) of Share(s) whose address(es) as shown on the register of members of the Company on the Record Date is outside Hong Kong;
“Qualifying Shareholder(s)”	holder(s) of Share(s) whose name(s) appears on the register of members of the Company on the Record Date (and not being Excepted Shareholders);
“Record Date”	Friday, 9 June 2017, being the date by reference to which entitlements to the Bonus Issue will be determined;
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;

DEFINITIONS

“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company;
“Share Buy-back Mandate”	as defined in paragraph 3(a) of the Letter from the Board;
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Future Commission in Hong Kong;
“HK\$”	Hong Kong dollars; and
“%”	per cent.

EXPECTED TIMETABLE

The expected timetable for the declaration of final dividend and the Bonus Issue is as follows:

2017

Despatch of this circular and notice of the Annual General Meeting Wednesday, 26 April

Latest time for lodging transfer of Shares for
determining Shareholders' entitlement to
attend and vote at the Annual General Meeting 4:30 p.m. Thursday, 25 May

Closure of register of members of the Company for
determining Shareholders' entitlements to
attend and vote at the Annual General Meeting From Friday, 26 May
to Thursday, 1 June
(both days inclusive)

Latest time for lodging forms of proxy for
the Annual General Meeting 11:00 a.m. Tuesday, 30 May

Date and time of Annual General Meeting 11:00 a.m. Thursday, 1 June

Publication of Annual General Meeting
poll results announcement Thursday, 1 June

Last day of dealings in Shares cum-entitlements
to the final dividend and the Bonus Issue Friday, 2 June

First day of dealings in the Shares ex-entitlements
to the final dividend and the Bonus Issue Monday, 5 June

Latest time for lodging transfer of Shares
for determining Shareholders' entitlements to the
final dividend and the Bonus Shares 4:30 p.m. Tuesday, 6 June

Closure of register of members of the Company
for determining Shareholders' entitlements to
the final dividend and the Bonus Shares Wednesday, 7 June
to Friday, 9 June
(both days inclusive)

Record Date for determining Shareholders'
entitlements to the final dividend
and the Bonus Shares Friday, 9 June

EXPECTED TIMETABLE

2017

Register of members of the Company re-opens	Monday, 12 June
Despatch of share certificates for the Bonus Shares	On or about Friday, 23 June
Despatch of cheques for the final dividend	On or about Friday, 23 June
Dealings in Bonus Shares on the Stock Exchange commence	Monday, 26 June
Designated broker starts to stand in the market to provide matching services for sale and purchase of odd lots of Shares	9:00 a.m. on Monday, 26 June
Designated broker ceases to stand in the market to provide matching services for sale and purchase of odd lots of Shares	4:00 p.m. on Friday, 14 July

Dates or deadlines specified in this circular are indicative only and may be varied by the Company. Any consequential changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

LETTER FROM THE BOARD



ALLTRONICS HOLDINGS LIMITED

華訊股份有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 833)

Executive Directors:

Mr Lam Yin Kee

(Chairman and Chief Executive)

Ms Yeung Po Wah

Ms Liu Jing

Mr Lam Chee Tai, Eric

Mr So Kin Hung

Non-executive Directors:

Mr Fan, William Chung Yue

Mr Lau Fai Lawrence

Independent non-executive Directors:

Mr Pang Kwong Wah

Mr Yau Ming Kim, Robert

Mr Yen Yuen Ho, Tony

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Principal place

of business in Hong Kong:

Unit 408, 4/F

Citicorp Centre

18 Whitfield Road

Hong Kong

26 April 2017

To Shareholders

Dear Sir/Madam,

(1) PROPOSED RE-ELECTION OF DIRECTORS
(2) GENERAL MANDATES TO BUY BACK SHARES
AND TO ISSUE NEW SHARES OF THE COMPANY
(3) PROPOSED BONUS ISSUE OF SHARES
AND
(4) NOTICE OF ANNUAL GENERAL MEETING

1. INTRODUCTION

The purpose of this circular is to provide you with information in respect of the resolutions to be proposed at the Annual General Meeting for (i) the re-election of Directors retiring at the Annual General Meeting; (ii) the grant of the Share Buy-back Mandate to the Directors; (iii) the grant of the Issuance Mandate to the Directors; (iv) the extension of the Issuance Mandate by adding to it the aggregate number of the issued Shares bought back by the Company under the Share Buy-back Mandate; and (v) the Bonus Issue.

LETTER FROM THE BOARD

2. RE-ELECTION OF DIRECTORS

Pursuant to article 87 of the Current Articles of Association, at each annual general meeting, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office. The Directors to retire in every year shall include any Director who wishes to retire and not to offer himself for re-election or those who have been longest in office since their last election or appointment but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

Pursuant to article 86(3) of the Current Articles of Association, the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election, but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting.

Pursuant to articles 86(3) and 87 of the Current Articles of Association, Mr Lam Yin Kee, Ms Yeung Po Wah, Mr So Kin Hung, Mr Lau Fai Lawrence and Mr Yen Yuen Ho, Tony shall retire at the Annual General Meeting. All the retiring Directors, being eligible, will offer themselves for re-election.

Brief biographical details of the retiring Directors offer for re-election are set out in Appendix II of this circular.

3. SHARE BUY-BACK AND ISSUANCE MANDATES

Ordinary resolutions will be proposed at the Annual General Meeting to approve the grant of new general mandates to the Directors:

- (a) to buy back Shares on the Stock Exchange up to 10% of the total number of issued Shares of the Company on the date of passing such resolution (i.e. a total of 52,562,020 Shares) on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting (“Share Buy-back Mandate”);
- (b) to issue, allot and deal with Shares up to 20% of the total number of issued Shares of the Company on the date of passing such resolution (i.e. a total of 105,124,040 Shares) on the basis that the issued share of the Company remains unchanged on the date of the Annual General Meeting (“Issuance Mandate”); and
- (c) to extend the Issuance Mandate by an amount representing the number of Shares bought back by the Company pursuant to and in accordance with the Share Buy-back Mandate.

LETTER FROM THE BOARD

4. PROPOSED BONUS ISSUE OF SHARES

Reference is made to the annual results announcement and a separate announcement of the Company, both dated 30 March 2017, in which it is mentioned that the Board has resolved to recommend the Bonus Issue to the Shareholders. The Bonus Issue is proposed to be made on the basis of eight Bonus Shares to be issued for every ten Shares held on the Record Date by the Qualifying Shareholders. The Bonus Shares will be issued and credited as fully paid at par by capitalization of such amount standing to the credit of the share premium account of the Company.

The exact total number of Bonus Shares to be issued under the Bonus Issue cannot be determined until the Record Date. However, based on 525,620,200 Shares in issue as at the Latest Practicable Date and assuming (i) no further Shares will be issued or bought back before the Record Date; and (ii) there are no Non-Qualifying Shareholders, a total of 420,496,160 Bonus Shares will be issued under the Bonus Issue (representing approximately 80 per cent. of the total number of issued Shares as at the Latest Practicable Date). The Company will make further announcement upon determining the total number of Bonus Shares to be issued.

Conditions of the Bonus Issue of Shares

The Bonus Issue of Shares is subject to the following conditions:

- (i) the passing of an ordinary resolution by the Shareholders approving the proposed Bonus Issue at the Annual General Meeting to be held;
- (ii) the Stock Exchange granting the listing of, and permission to deal in, the Bonus Shares; and
- (iii) compliance with the relevant legal procedures and requirements (if any), under the applicable laws of the Cayman Islands and the Current Articles of Association to effect the Bonus Issue.

As at the Latest Practicable Date, all of the above conditions (i) to (iii) are not yet fulfilled.

An ordinary resolution as referred to in resolution numbered 13 set out in the notice of the Annual General Meeting will be proposed at the Annual General Meeting to approve the Bonus Issue.

Status of the New Bonus Shares and Fractional Entitlement

The new Bonus Shares will, subject to the Current Articles of Association, rank *pari passu* in all respects with the Shares in issue on the date of the issue of the Bonus Shares. Holders of the Bonus Shares will be entitled to receive all future dividends and distributions (if any) which are declared, made or paid after the date on which the Bonus Shares are allotted and issued, but will not be entitled to the final dividend for the year ended 31 December 2016. No fractional shares will be issued and distributed pursuant to the Bonus Issue.

LETTER FROM THE BOARD

Overseas Shareholders

As at the Latest Practicable Date, there was one Overseas Shareholder holding 52,562,020 Shares representing 10% of the Company's total issued share capital, whose registered address as shown on the register of members of the Company is located at the British Virgin Islands. The Company has made enquiries with legal advisers of such relevant jurisdiction as to whether it is lawful or practicable to offer the Bonus Shares to such Shareholder in such place. According to the preliminary views of the overseas legal advisers, there is no restriction that prevents the issuance of Bonus Shares to such Shareholder.

If, as at the close of the business on the Record Date, a Shareholder's address as recorded on the register of members of the Company is in a place outside Hong Kong, the Board will make enquiries as to whether the Bonus Issue to the Overseas Shareholders may contravene the applicable securities legislation of the relevant overseas places or the requirements of the relevant regulatory body or stock exchange. If, after making such enquiry, the Board is of the opinion that there is no legal restriction under the laws of the relevant place or any requirement of the relevant regulatory body or stock exchange in that place, such Overseas Shareholders will be permitted to participate in the Bonus Issue. If, however, after making such enquiry, the Board is of the opinion that it would be necessary or expedient, on account either of the legal restriction under the laws of the relevant place or any requirement of the relevant regulatory body or stock exchange in that place, not to offer to such Overseas Shareholders, no issue of the Bonus Shares will be made to such Overseas Shareholders.

Overseas Shareholders receiving a copy of this circular about the Bonus Issue may not treat the same as an invitation to participate in the Bonus Issue unless invitation could lawfully be made to him/her/it without requiring the Company or such Overseas Shareholders to comply with any registration or other legal requirements in the relevant territory.

In circumstances where any Overseas Shareholders are not permitted to participate in the Bonus Issue, arrangements will then be made for the Bonus Shares which would otherwise have been issued to those Overseas Shareholders to be sold in the market as soon as practicable after dealings in the Bonus Shares commence. Any net proceeds of such sale, after deduction of expenses, of HK\$100 or more will be distributed in Hong Kong dollars to the relevant Overseas Shareholders, by post at his own risk, unless the amount falling to be distributed to such person is less than HK\$100, in which case it will be retained for the benefit of the Company.

Notwithstanding the enquiries made by the Company with its legal advisers, any Shareholder with a registered address outside Hong Kong or otherwise residing outside Hong Kong should consult their professional advisers as to whether they are permitted to receive the Bonus Shares under the Bonus Issue and the taxation consequences of their decision. It is the responsibility of the Shareholders who wish to receive the Bonus Shares under the Bonus Issue to comply with the laws of the relevant jurisdiction(s).

LETTER FROM THE BOARD

Reasons for the Bonus Issue of Shares

In recognition of the continual support of the Shareholders and to encourage the Shareholders to continue to support the Company's future development, the Board decided to propose the Bonus Issue.

The Board believes that the Bonus Issue will allow the Shareholders to enjoy a pro-rata increase in the number of Shares held by them in the Company without incurring any significant costs to them. Although the price per Share on an ex-entitlement basis is expected to reduce proportionately and the Bonus Issue is not expected to increase the Shareholders' proportionate equity interests in the Company, the Bonus Issue will increase the number of Shares to be held by the Shareholders, which will afford them with more flexibility in managing their own investment portfolios such as giving them more convenience in disposing of a portion of the Shares and realising a cash return to meet the individual Shareholders' financial needs.

The Board also believes that even if the price per Share on an ex-entitlement (or a post Bonus Issue) basis may be reduced proportionately, the Bonus Issue will not change the rights or the proportionate equity interest of the Shareholders in the Company. By way of illustration only, based on the closing price of HK\$4.78 per Share as at the Latest Practicable Date and a board lot size of 1,000 Shares, the board lot value of the Shares is HK\$4,780. The theoretical price per Share and board lot value are expected to be decreased to HK\$2.66 per Share and HK\$2,660 respectively after the Bonus Issue has taken place.

In addition, the Company would like to increase the total number of the issued Shares of the Company in the market. The Bonus Issue will reduce the price of each Share and the trading price of per board lot, and hence the trading volume and the liquidity of the Shares on the market could be increased. Whilst it is arguable that the Bonus Issue may reduce the value of each Shareholder's holding in the Company due to the transaction costs involved in the Bonus Issue, it is expected that the transaction costs will be minimal.

The Board has considered the ratio of one Bonus Share to be issued for every Share. After considering that the theoretical board lot value may fall below HK\$2,000, the Board determined that the ratio of eight Bonus Shares to be issued for every ten Shares is the most appropriate for increasing the total number of the issued Shares of the Company. Moreover, for the Company to adopt the ratio of eight Bonus Shares to be issued for every ten Shares which may create odd lots, the Company expects the trading volume of the Shares in the period before the issuance of the Bonus Shares would also be increased, because the existing Shareholders who foresee that he/she may hold some odd lots after the Bonus Issue may buy more Shares or may dispose of some of his/her Shares to avoid having odd lots after the Bonus Issue. The trading volume will thus be increased.

The Board has also considered alternative methods such as a sub-division of Shares to achieve the above purposes. Having considered the simple administrative procedures to be involved and comparatively low expenses to be incurred for the Bonus Issue, the Directors consider that the Bonus Issue is a more appropriate way of achieving the abovementioned purposes taking into account the interests of the Company and the Shareholders as a whole. The board lot value after the Bonus Issue is expected to be above HK\$2,000 and the Board considers that it is not necessary to change the board lot size.

LETTER FROM THE BOARD

The Bonus Issue will nearly double the number of Shares to be held by the Shareholders, which will afford them with more flexibility in managing their own investment portfolios such as giving them more convenience in disposing of a portion of the Shares and realising a cash return to meet the individual Shareholders' financial needs under good market conditions. As such, the Board considers the Bonus Issue could potentially improve the trading liquidity of the Shares which will be beneficial to the Company and the Shareholders as a whole. Although the Bonus Issue may result in odd lots, the Company has appointed a designated broker to provide matching services to Shareholders, details of which are set out in the paragraph headed "Odd Lots Arrangement".

The Company currently does not have any fund raising plan in the coming 12 months.

Application for Listing and Trading Arrangement

Application will be made to the Stock Exchange for listing of, and permission to deal in, the Bonus Shares. No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or Bonus Shares or any other securities of the Company to be listed or dealt in on any other stock exchange. No new class of securities is to be listed pursuant to the Bonus Issue.

Subject to the fulfillment of the conditions as set out in the paragraph headed "Conditions of the Bonus Issue of Shares" above, which include the granting of listing of, and permission to deal in, the Bonus Shares on the Stock Exchange, the Bonus Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Bonus Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Dealings in the Bonus Shares are expected to commence on 26 June 2017.

Stamp duty in Hong Kong will be payable in respect of dealings in the Bonus Shares.

Record Date and Closure of Register of Members

The register of members of the Company will be closed from Wednesday, 7 June 2017 to Friday, 9 June 2017 (both days inclusive) during which period no transfer of Shares will be effected. The Record Date for determination of entitlements to final dividend and Bonus Issue will be Friday, 9 June 2017. In order to be qualified for the entitlement of the final dividend and the Bonus Issue, all transfer accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar in Hong Kong, Tricor Tengis Limited, at 22/F, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on Tuesday, 6 June 2017.

Share Certificates

Subject to the fulfillment of all the conditions of the Bonus Issue, it is expected that certificates for the Bonus Shares will be sent by ordinary post at their own risk on or about 23 June 2017 to the Qualifying Shareholders at their respective addresses shown in the register of members of the Company on the Record Date. One share certificate will be issued to each Qualifying Shareholder for the Bonus Shares he/she/it is entitled under the Bonus Issue.

LETTER FROM THE BOARD

Odd Lot Arrangements

In order to alleviate the difficulties of trading of Shares arising from the existence of odd lots of the Shares which may result from the Bonus Issue, the Company has appointed Sinopac Securities (Asia) Limited as an agent to provide matching services on a best effort basis to the Shareholders who wish to top up or sell their holdings of odd lots of the Shares during the period from 9:00 a.m. on Monday, 26 June 2017 to 4:00 p.m. on Friday, 14 July 2017, both days inclusive. Holders of the Shares in odd lots represented by the existing share certificates for the Shares who wish to take advantage of this facility either to dispose of their odd lots of the Shares or to top up their odd lots to a full board lot may directly or through their brokers to contact Sinopac Securities (Asia) Limited at 21st Floor, One Peking, 1 Peking Road, Tsim Sha Tsui, Kowloon, Hong Kong or at telephone number (852) 2523-6685 during office hours (i.e. 9:00 a.m. to 12:00 p.m. and 1:00 p.m. to 6:00 p.m. within such period).

Holder of the Shares in odd lots should note that successful matching of the sale and purchase of odd lots of the Shares is not guaranteed. The Shareholders are recommended to consult their professional adviser if they are in doubt about the above arrangement.

5. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages 24 to 28 of this circular. At the Annual General Meeting, resolutions will be proposed to approve, inter alia, the re-election of Directors, the grant of the Share Buy-back Mandate and the Issuance Mandate, the extension of the Issuance Mandate by the addition thereto of the number of Shares bought back pursuant to the Share Buy-back Mandate and the Bonus Issue.

A form of proxy for use at the Annual General Meeting is also enclosed with this circular and such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.irasia.com/listco/hk/alltronics/). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority, at the Company's Branch Share Registrar in Hong Kong, Tricor Tengis Limited at 22/F, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 48 hours before the time appointed for the Annual General Meeting (i.e. not later than 11:00 a.m. on Tuesday, 30 May 2017). Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the Annual General Meeting if they so wish.

To the best information of the Directors after making reasonable enquiries, no Shareholder is required to abstain from voting for any resolution proposed to be adopted at the AGM.

6. RECOMMENDATION

The Directors consider that the proposed re-election of Directors, the grant of the Share Buy-back Mandate, the grant/extension of the Issuance Mandate and the Bonus Issue are in the interests of the Company, the Group and the Shareholders. Accordingly, the Directors recommend Shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

LETTER FROM THE BOARD

7. 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 Company. 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 herein or this circular misleading.

8. GENERAL INFORMATION

Your attention is drawn to the additional information set out in Appendix I (Explanatory statement on the Share Buy-back Mandate) and Appendix II (Details of Directors proposed to be re-elected at the Annual General Meeting) to this circular.

Yours faithfully,
Lam Yin Kee
Chairman of the Board

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

1. REASONS FOR SHARE BUY-BACK

The Directors believe that the proposed grant of the Share Buy-back Mandate is in the interests of the Company and the Shareholders.

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

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 525,620,200 Shares.

Subject to the passing of the ordinary resolution numbered 10 set out in the notice of the Annual General Meeting in respect of the grant of the Share Buy-back Mandate and on the basis that no Shares are issued or bought back by the Company prior to the Annual General Meeting, the Company would be allowed under the Share Buy-back Mandate to buy back a maximum of 52,562,020 Shares (representing 10% of the total number of Shares in issue as at the date of the Annual General Meeting) during the period in which the Share Buy-back Mandate remains in force.

3. FUNDING OF SHARE BUY-BACK

In buying back Shares, the Company may only apply funds legally available for such purpose in accordance with its Current Articles of Association, the laws of the Cayman Islands and other applicable laws.

The Company is empowered by its Current Articles of Association to buy back its Shares. The laws of the Cayman Islands provide that the amount of capital paid in connection with a share buy-back may only be paid out of either the profits of the company or out of the proceeds of a fresh issue of shares made for such purpose or, if so authorised by its articles of association and subject to the provisions of the Cayman Islands laws, out of capital. The amount of premium payable on buy-back may be paid out of profits of the company or out of the share premium account of the company, or, if so authorised by its articles of association and subject to the provisions of the Cayman Islands laws, out of capital before the shares are bought back.

4. IMPACT OF SHARE BUY-BACK

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 December 2016) in the event that the Share Buy-back Mandate was to be carried out in full at any time during the proposed buy-back period. However, the Directors do not intend to exercise the Share Buy-back Mandate to such 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.

5. TAKEOVERS CODE

If, on the exercise of the power to buy back Shares pursuant to the Share Buy-back 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 Rule 32 of the Takeovers Code. Accordingly, a Shareholder, or group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code for all the Shares not already owned by such Shareholder or group of Shareholders.

To the best knowledge of the Company, as at the Latest Practicable Date, Mr Lam Yin Kee and Ms Yeung Po Wah, being executive Directors of the Company, together with parties acting in concert with them, were beneficially interested in 247,358,290 Shares representing approximately 47.06% of the total issued share capital of the Company. On the basis that no Shares are issued or bought back prior to the date of the Annual General Meeting, in the event that the Directors exercise the proposed Share Buy-back Mandate in full, the aggregate shareholding of Mr Lam Yin Kee and Ms Yeung Po Wah together with parties acting in concert with them would be increased to approximately 52.29% of the issued share capital of the Company.

The Directors consider that such increase in shareholding would give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors have no intention to, and will not buy back Shares which would result in the number of Shares in hands of public falling below the prescribed minimum percentage of 25%. The Directors are not aware of any consequences which will arise under the Takeovers Code as a result of any buy-back to be made under the Share Buy-back Mandate.

6. GENERAL

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their respective Close Associates have any present intention to sell any Shares to the Company in the event that the grant of the Share Buy-back Mandate is approved by the Shareholders.

APPENDIX I EXPLANATORY STATEMENT ON THE SHARE BUY-BACK MANDATE

The Company has not been notified by any Core Connected Persons of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the grant of the Share Buy-back Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to buy back Shares pursuant to the Share Buy-back Mandate in accordance with the Listing Rules and the laws of the Cayman Islands.

7. MARKET PRICES OF SHARES

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

Month	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2016		
April	2.1600	1.9300
May	2.1000	1.9300
June	2.4200	2.0600
July	3.0300	2.4000
August	3.0400	2.7000
September	2.9900	2.8300
October	2.9000	2.5800
November	2.8500	2.6800
December	2.8000	2.6800
2017		
January	2.7900	2.6600
February	3.9300	2.6900
March	4.8500	3.7800
April (up to the Latest Practicable Date)	5.0000	4.7300

8. SHARE BUY-BACK MADE BY THE COMPANY

No buy-back of Shares has been made by the Company during the previous six months (whether on the Stock Exchange or otherwise).

Pursuant to the Listing Rules, the details of the Directors who will retire at the Annual General Meeting according to the Current Articles of Association and will be proposed to be re-elected at the Annual General Meeting are provided below.

(1) Mr Lam Yin Kee, aged 70, an executive Director and Chairman

Experience

Mr Lam Yin Kee, aged 70, is an executive Director and the Chairman and founder of the Group. Mr Lam has over 40 years of marketing experience in the electronic industry and he is responsible for the Group's overall strategic planning and business development. He is also responsible for overseeing the overall operation in the sales and marketing and administration management of the Group. Prior to establishing the Group in 1997, Mr Lam was the vice-chairman of a listed group in Hong Kong engaging in the manufacture and sales of electronic products for over 20 years. Save as disclosed, Mr Lam did not hold any directorships in any other listed public companies in the last three years.

Length of service and emoluments

Mr Lam has entered into a service contract with the Company for a fixed term of 3 years commencing from 15 July 2005 until the conclusion of the then annual general meeting of the Company, at which Mr Lam was re-elected by the Shareholders of the Company. Mr Lam's appointment shall continue thereafter unless and until terminated by, among others, either party giving to the other not less than three calendar months' prior notice in writing.

Mr Lam is currently entitled to a basic monthly salary of HK\$370,800, other benefits in kind and a discretionary bonus to be determined by the remuneration committee of the Company and the Board with reference to his performance, duties and responsibilities, the performance of the Company and prevailing market conditions. There is no director's fee payable to Mr Lam. The Company is also providing a staff quarter to Mr Lam at a monthly rental of HK\$150,000.

Relationships

Other than the relationship arising from his being the husband of Ms Yeung Po Wah, the father of Mr Lam Chee Tai, Eric, the Chairman, an executive Director and a substantial shareholder of the Company, Mr Lam does not hold any other positions in the Company or its subsidiaries, nor does he have any relationships with any other Directors, senior management, substantial shareholders (as defined in the Listing Rules) or controlling shareholders (as defined in the Listing Rules) of the Company.

Interests in Shares

As at the Latest Practicable Date, Mr Lam was interested in 247,358,290 Shares of the Company pursuant to Part XV of the SFO.

Public sanction

On 15 April 2010, the Stock Exchange publicly censured the Company for its breach of the former Rule 13.09 of the Listing Rules for failing to publish an announcement to disclose the deterioration of the Group's business performance in the first six months ended 30 June 2008 and publicly censured Mr Lam for his breach of director's undertakings in failing to use his best endeavours to procure the Company's compliance with the former Rule 13.09 of the Listing Rules.

Matters that need to be brought to the attention of the Shareholders

There is no information to be disclosed pursuant to any of the requirements of the provisions under paragraphs 13.51(2)(i) to 13.51(2)(v) of the Listing Rules, and there are no other matters concerning Mr Lam that need to be brought to the attention of the Shareholders of the Company.

(2) Ms Yeung Po Wah, aged 67, an executive Director*Experience*

Ms Yeung Po Wah, aged 67, is an executive Director, the wife of Mr Lam Yin Kee and the mother of Mr Lam Chee Tai, Eric. Ms Yeung is a co-founder of the Group and is responsible for the overall administrative functions and strategic planning of the Group. From 1967 to 1984, Ms Yeung worked at the Bank of Tokyo with the last position being assistant manager of the remittance department. Save as disclosed, Ms Yeung did not hold any directorships in any other listed public companies in the last three years.

Length of service and emoluments

Ms Yeung has entered into a service contract with the Company for a fixed term of 3 years commencing from 15 July 2005 until the conclusion of the then annual general meeting of the Company, of which Ms Yeung was re-elected by the Shareholders of the Company. Ms Yeung's appointment shall continue thereafter unless and until terminated by, among others, either party giving to the other not less than three calendar months' prior notice in writing.

Ms Yeung is currently entitled to a basic monthly salary of HK\$109,146, other benefits in kind and a discretionary bonus to be determined by the remuneration committee of the Company and the Board with reference to her performance, duties and responsibilities, the performance of the Company and prevailing market conditions. There is no director's fee payable to Ms Yeung.

Relationships

Other than the relationship arising from her being the wife of Mr Lam Yin Kee, the mother of Mr Lam Chee Tai, Eric, an executive Director and a substantial shareholder of the Company, Ms Yeung does not hold any other positions in the Company or its subsidiaries, nor does she have any relationships with any other Directors, senior management, substantial shareholders (as defined in the Listing Rules) or controlling shareholders (as defined in the Listing Rules) of the Company.

Interests in Shares

As at the Latest Practicable Date, Ms Yeung was interested in 247,358,290 Shares of the Company pursuant to Part XV of the SFO.

Public sanction

On 15 April 2010, the Stock Exchange publicly censured the Company for its breach of the former Rule 13.09 of the Listing Rules for failing to publish an announcement to disclose the deterioration of the Group's business performance in the first six months ended 30 June 2008 and publicly censured Ms Yeung for her breach of director's undertakings in failing to use her best endeavours to procure the Company's compliance with the former Rule 13.09 of the Listing Rules.

Matters that need to be brought to the attention of the Shareholders

There is no information to be disclosed pursuant to any of the requirements of the provisions under paragraphs 13.51(2)(i) to 13.51(2)(v) of the Listing Rules, and there are no other matters concerning Ms Yeung that need to be brought to the attention of the Shareholders of the Company.

(3) Mr So Kin Hung, aged 60, an executive Director*Experience*

Mr So Kin Hung, aged 60, was appointed as an executive Director of the Company on 1 August 2008. Mr So graduated from the University of East London (previously known as "North East London Polytechnic") in the United Kingdom in 1982, with a degree of Bachelor of Science (Electrical and Electronic Engineering). Mr So joined the Group since 1997 and is also the general manager of two of the Company's subsidiaries, namely Alltronics Tech. Mftg. Limited and Shenzhen Allcomm Electronic Co. Ltd.. He has over 25 years of experience in the electronic industry and is responsible for the marketing and engineering operations of the Group. Prior to joining the Group in 1997, Mr So worked for a Hong Kong listed company as the assistant general manager. Save as disclosed, Mr So did not hold any directorships in any other listed public companies in the last three years.

Length of service and emoluments

There is no service contract between the Company and Mr So in relation to his role as an executive Director of the Company. Mr So will not be appointed for a specific term but shall be subject to retirement at least once every three years.

Mr So is currently entitled to receive a monthly salary of HK\$103,193, other benefits in kind and a discretionary bonus to be determined by the remuneration committee of the Company and the Board with reference to his performance, duties and responsibilities, the performance of the Company and prevailing market conditions. There is no director's fee payable to Mr So.

Relationships

Other than the relationship arising from his being an executive Director of the Company and the general manager of two of the Group's subsidiaries, Mr So does not hold any other positions in the Company or its subsidiaries, nor does he have any relationships with any other Directors, senior management, substantial shareholders (as defined in the Listing Rules) or controlling shareholders (as defined in the Listing Rules) of the Company.

Interest in Shares

As at the Latest Practicable Date, Mr So does not have, and is not deemed to have any interests in the Shares, underlying Shares or debentures of the Company within the meaning of Part XV of the SFO.

Public sanction

On 15 April 2010, the Stock Exchange publicly censured the Company for its breach of the former Rule 13.09 of the Listing Rules for failing to publish an announcement to disclose the deterioration of the Group's business performance in the first six months ended 30 June 2008 and publicly criticised Mr So for his breach of director's undertakings in failing to use his best endeavours to procure the Company's compliance with the former Rule 13.09 of the Listing Rules.

Matters that need to be brought to the attention of the Shareholders

There is no information to be disclosed pursuant to any of the requirements of the provisions under paragraphs 13.51(2)(i) to 13.51(2)(v) of the Listing Rules, and there are no other matters concerning Mr So that need to be brought to the attention of the Shareholders of the Company.

(4) Mr Lau Fai Lawrence, aged 45, a non-executive Director*Experience*

Mr Lau Fai Lawrence, aged 45, was appointed as a non-executive Director of the Company from 1 March 2017. Mr Lau is currently a practising certified public accountant in Hong Kong, a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants in the United Kingdom. Mr Lau graduated from The University of Hong Kong with a bachelor's degree in business administration in 1994 and obtained a master's degree in corporate finance from Hong Kong Polytechnic University in 2007.

Mr Lau joined BBMG Corporation (a company listed on the Main Board of the Stock Exchange) (Stock Code: 2009) on 6 August 2008 as joint company secretary and qualified accountant. Since 26 October 2012, Mr Lau serves as the company secretary of BBMG Corporation. Before joining BBMG Corporation, Mr Lau has served as the group financial controller and qualified accountant of Founder Holdings Limited (Stock Code: 418) and Peking University Resources (Holdings) Company Limited (Stock Code: 618), both companies are listed on the Main Board of the Stock Exchange. Mr Lau is an executive director of Future World Financial Holdings Limited (Stock Code: 572), previously known as "Central Wealth Financial Group Limited", being a company listed on the Main Board of the Stock Exchange. Mr Lau is also an independent non-executive director of Artini China Co. Ltd. (Stock Code: 789), Titan Petrochemicals Group Limited (Stock Code: 1192) and China HKBridge Holdings Limited (Stock Code: 2323) respectively, all of these companies are listed on the Main Board of the Stock Exchange. Save as disclosed, Mr Lau did not hold any directorships in any other listed public companies in the last three years.

Length of service and emoluments

Pursuant to a letter of appointment dated 27 February 2017 signed by the Company and Mr Lau, Mr Lau's term of services with the Company is fixed at three years with effect from 1 March 2017. Mr Lau is subject to retirement by rotation and re-election at the Annual General Meeting, in accordance with the Current Articles of Association of the Company. Mr Lau, if so re-elected at the Annual General Meeting, shall thereafter be subject to retirement by rotation at least once every three years.

Mr Lau is currently entitled to a fixed director fee of HK\$293,520 per annum which is determined by the remuneration committee of the Company and the Board with reference to his performance, duties and responsibilities, the performance of the Company and the prevailing market conditions.

Relationships

Other than the relationship arising from his being a non-executive Director of the Company, Mr Lau (i) does not hold any other positions in the Company or its subsidiaries; nor (ii) does not have any relationships with any Directors, senior management, substantial shareholders (as defined in the Listing Rules) or controlling shareholders (as defined in the Listing Rules) of the Company.

Interests in Shares

As at the Latest Practicable Date, Mr Lau does not have, and is not deemed to have any interests in the Shares, underlying Shares or debentures of the Company within the meaning of Part XV of the SFO.

Matters that need to be brought to the attention of the Shareholders

There is no information to be disclosed pursuant to any of the requirements of the provisions under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there are no other matters concerning Mr Lau that need to be brought to the attention of the Shareholders of the Company.

(5) Mr Yen Yuen Ho, Tony, aged 69, an independent non-executive Director*Experience*

Mr Yen Yuen Ho, Tony, aged 69, was appointed on 12 August 2016 as an independent non-executive Director of the Company and a member of the audit committee, remuneration committee and nomination committee respectively. Mr Yen is a solicitor of Hong Kong and the United Kingdom. He is also a barrister and solicitor of Australia. From August 1994 to March 2007, he was the Law Draftsman of the Department of Justice of Hong Kong. He was also a member of the Hong Kong Government's Law Reform Commission. Mr Yen was conferred the Silver Bauhinia Star Medal by the Hong Kong Government in 2000. Currently, he is an adjunct professor at the Hong Kong Shue Yan University and the Beijing Normal University. Mr Yen is an Honorary Court Member of the Hong Kong University of Science and Technology and an Honorary Fellow of the Faculty of Education, University of Hong Kong. He is the director of two secondary schools, the Vice President of the Neighbourhood Advice Action Council and a member of Heep Hong Society's Executive Council. He is an honorary adviser to Pok Oi Hospital and the Hong Kong Academy of Nursing. From April 2009 to April 2015, Mr Yen was the vice chairman of the Hong Kong Government's Social Welfare Department Lump Sum Grant Independent Complaints Handling Committee. Since January 2013, he has been a member of the Hong Kong Government's Panel of Review Board on School Complaints.

Mr Yen is an independent non-executive director of Jinchuan Group International Resources Co. Ltd. (stock code: 2362) and United Photovoltaics Group Limited (stock code: 686), which shares are listed on the Main Board of the Stock Exchange, and also an independent non-executive director of WWPKG Holdings Company Limited (stock code: 8069), which shares are listed on the Growth Enterprise Market of the Stock Exchange. He

is also an independent director of China Minsheng Jiaye Investment Co., Limited. Mr Yen also served as an independent non-executive director of Link Holdings Limited (stock code: 8237) from 20 June 2014 to 16 October 2014, which shares are listed on the Growth Enterprise Market of the Stock Exchange. Save as disclosed, Mr Yen did not hold any directorship in any other listed public companies in the last three years.

Length of service and emoluments

Pursuant to a letter of appointment dated 11 August 2016 signed by the Company and Mr Yen, Mr Yen's term of services with the Company is fixed at three years with effect from 12 August 2016. Mr Yen is subject to retirement by rotation and re-election at the Annual General Meeting, in accordance with the Current Articles of Association of the Company. Mr Yen, if so re-elected at the Annual General Meeting, shall thereafter be subject to retirement by rotation at least once every three years.

Mr Yen is currently entitled to a fixed director's fee of HK\$293,520 per annum, which is determined by the remuneration committee of the Company and the Board with reference to his performance, duties and responsibilities, the performance of the Company and the prevailing market conditions.

Relationships

Other than the relationship arising from his being an independent non-executive Director of the Company, Mr Yen does not hold any other positions in the Company or its subsidiaries, nor does he have any relationships with any other directors, senior management, substantial shareholders (as defined in the Listing Rules), or controlling shareholders (as defined in the Listing Rules) of the Company.

Interests in Shares

As at the Latest Practicable Date, Mr Yen does not have, and is not deemed to have any interests in the Shares, underlying Shares or debentures of the Company within the meaning of Part XV of the SFO.

Matters that need to be brought to the attention of the Shareholders

There is no information to be disclosed pursuant to any of the requirements of the provisions under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there are no other matters concerning Mr Yen that need to be brought to the attention of the Shareholders of the Company.

NOTICE OF THE ANNUAL GENERAL MEETING



ALLTRONICS HOLDINGS LIMITED

華訊股份有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 833)

NOTICE IS HEREBY GIVEN that an Annual General Meeting (the “Meeting”) of Alltronics Holdings Limited (the “Company”) will be held at Unit 2401-02, Admiralty Centre I, 18 Harcourt Road, Hong Kong on Thursday, 1 June 2017 at 11:00 a.m. for the following purposes:

1. To receive and consider the Audited Consolidated Financial Statements and the Reports of the Directors and of the Independent Auditor for the year ended 31 December 2016;
2. To declare a final dividend of HK8.0 cents per share for the year ended 31 December 2016;
3. To re-elect Mr Lam Yin Kee as an Executive Director;
4. To re-elect Ms Yeung Po Wah as an Executive Director;
5. To re-elect Mr So Kin Hung as an Executive Director;
6. To re-elect Mr Lau Fai Lawrence as a Non-executive Director;
7. To re-elect Mr Yen Yuen Ho, Tony as an Independent Non-executive Director;
8. To authorise the Board of Directors to fix Directors’ remuneration;
9. To re-appoint Ernst & Young as the Independent Auditor and to authorise the Board of Directors to fix its remuneration;
10. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT

- (a) the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to buy back its shares, subject to and in accordance with the applicable laws, be and is hereby generally and unconditionally approved;

NOTICE OF THE ANNUAL GENERAL MEETING

- (b) the total number of shares of the Company to be bought back pursuant to the approval in paragraph (a) above shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution 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 earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the revocation or variation of the authority given under this resolution by ordinary resolution passed by the Company’s shareholders in general meetings; or
 - (iii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held.”;
11. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT

- (a) the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to issue, allot and deal with additional shares of the Company and to make or grant offers, agreements and options which would or might require shares to be allotted, issued or dealt with during or after the end of the Relevant Period (as defined below), be and is hereby generally and unconditionally approved, provided that, otherwise than pursuant to (i) a rights issue where shares are offered to shareholders on a fixed record date in proportion to their then holdings of shares (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 recognised regulatory body or any stock exchange in any territory outside Hong Kong), or (ii) any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries and/or any eligible grantee pursuant to the scheme of shares or rights to acquire shares of the Company, or (iii) any scrip dividend scheme 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 articles of association of the Company, the number of additional shares to be issued, allotted, dealt with or agreed conditionally or unconditionally to be issued, allotted or dealt with shall not in total exceed 20% of the total number of issued shares of the Company as at the date of passing of this resolution and the said approval shall be limited accordingly; and

NOTICE OF THE ANNUAL GENERAL MEETING

- (b) for the purpose 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 revocation or variation of the authority given under this resolution by ordinary resolution passed by the Company’s shareholders in general meetings; or
 - (iii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held.”;

- 12. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** the general mandate granted to the Directors of the Company pursuant to resolution numbered 11 above and for the time being in force to exercise the powers of the Company to allot shares and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby extended by the number of shares of the Company bought back by the Company pursuant to the exercise by the Directors of the Company of the powers of the Company to buy back such shares since the grant of such general mandate referred to in the above resolution numbered 10 provided that such amount shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution.”; and

- 13. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** subject to and conditional upon The Stock Exchange of Hong Kong Limited granting and agreeing to grant listing of and permission to deal in the Bonus Shares (as defined below):

 - (A) upon the recommendation of the Directors, such amount standing to the credit of the share premium account of the Company be capitalized and the Directors be and are hereby authorized to apply such amount in paying up in full at par such number of new shares of HK\$0.01 each in the capital of the Company (“Bonus Shares”) on the basis of eight Bonus Shares for every ten existing issued ordinary shares of HK\$0.01 each in the capital of the Company on the Record Date (as defined below), and the Directors be authorised to allot, issue and distribute the Bonus Shares, which shall be credited as fully paid, to the members of the Company whose names appear in the register of members of the Company in Hong Kong as at the close of business on 9 June 2017 (“Record Date”), other than those members (“Excepted Shareholders”) whose addresses as shown in the register of members of the Company at the close of business on the Record Date are in jurisdiction outside Hong Kong and in respect of whom the Directors consider the exclusion from the Bonus Issue (as

NOTICE OF THE ANNUAL GENERAL MEETING

defined below) to be necessary or expedient in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the articles of association of the Company, on the basis of eight Bonus Shares for every ten existing issued ordinary shares of HK\$0.01 each in the capital of the Company then held by them respectively (“Bonus Issue”), and the Directors be authorised to settle, as they consider appropriate, any difficulty in regard to any distribution of the Bonus Shares;

- (B) the Bonus Shares to be allotted and issued pursuant to this resolution shall, subject to the articles of association of the Company, rank *pari passu* in all respects with the existing issued ordinary shares of HK\$0.01 each in the capital of the Company, except that they shall not be eligible for the Bonus Issue mentioned in this resolution and the final dividend for the year ended 31 December 2016;
- (C) the Directors be and are hereby authorised to arrange for the Bonus Shares which would otherwise have been issued to the Excepted Shareholders, if any, to be sold in the market as soon as practicable after dealing in the Bonus Shares commences, and distribute the net proceeds of sale, after deduction of expenses, in Hong Kong dollars to the Excepted Shareholders, if any, pro rata to their respective shareholdings and to post to them the remittances thereof at their own risk, unless the amount to be distributed to any such persons is less than HK\$100, in which case, the Directors be and are hereby authorised to retain such amount for the benefit of the Company; and
- (D) the Directors be and are hereby authorised to do all acts and things as may be necessary and expedient in connection with the issue of the Bonus Shares.”

On behalf of the Board
Lam Yin Kee
Chairman

Hong Kong, 26 April 2017

Notes:

1. A member of the Company who is entitled to attend and vote at the Meeting convened by the above notice is entitled to appoint a proxy to attend and vote on his behalf. A proxy need not to be a member of the Company but must attend in person to represent the member. A member who is the holder of two or more shares may appoint more than one proxy to represent him 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 order to be valid, the form of proxy together with any power of attorney or other authority under which it is signed, or a certified copy of such power of attorney or authority, must be deposited with the Company’s Branch Share Registrar in Hong Kong, Tricor Tengis Limited, at 22/F, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time appointed for the Meeting (i.e. not later than 11:00 a.m. on Tuesday, 30 May 2017). Completion and return 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.

NOTICE OF THE ANNUAL GENERAL MEETING

3. The Register of Members of the Company will be closed for the following periods:
 - (a) For the purpose of determining members who are entitled to attend and vote at the Meeting to be held on 1 June 2017, the Register of Members of the Company will be closed on Friday, 26 May 2017 to Thursday, 1 June 2017, both days inclusive. In order to qualify for attending and voting at the Meeting, all transfer documents should be lodged for registration with the Company's Branch Share Registrar in Hong Kong, Tricor Tengis Limited, at 22/F, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Thursday, 25 May 2017.
 - (b) For the purpose of determining members who qualify for the proposed final dividend and the bonus issue of shares of the Company, the Register of Members of the Company will be closed on Wednesday, 7 June 2017 to Friday, 9 June 2017, both days inclusive. In order to qualify for the proposed final dividend and the bonus issue of shares, all transfer documents should be lodged for registration with the Company's Branch Share Registrar in Hong Kong, Tricor Tengis Limited, at 22/F, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Tuesday, 6 June 2017.
4. In relation to the ordinary resolutions numbered 10 to 12 set out in the above notice, the Directors wish to state that they have no immediate plan to issue any new shares or buy back any existing shares of the Company.
5. References to time and dates in this notice are to Hong Kong time and dates.

As at the date of this notice, Mr Lam Yin Kee, Ms Yeung Po Wah, Ms Liu Jing, Mr Lam Chee Tai, Eric and Mr So Kin Hung are the executive Directors of the Company, Mr Fan, William Chung Yue and Mr Lau Fai Lawrence are the non-executive Directors of the Company, and Mr Pang Kwong Wah, Mr Yau Ming Kim, Robert and Mr Yen Yuen Ho, Tony are the independent non-executive Directors of the Company.