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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**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, other licensed corporation, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or otherwise transferred** all your shares in Dan Form Holdings Company Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agents through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**DAN FORM HOLDINGS COMPANY LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 271)**

**PROPOSED REDUCTION OF SHARE PREMIUM ACCOUNT  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

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A notice convening an extraordinary general meeting of the Company to be held at 33/F., Tower A, Billion Centre, 1 Wang Kwong Road, Kowloon Bay, Hong Kong on Friday, 9 December 2011 at 10:00 a.m. is set out on pages 6 to 7 of this circular. Whether or not you are able to attend the meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company at its registered office in Hong Kong at 33/F., Tower A, Billion Centre, 1 Wang Kwong Road, Kowloon Bay, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the extraordinary general meeting. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting or any adjourned meeting should you so wish.

14 November 2011

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## DEFINITIONS

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

“Accumulated Losses”	the entire balance in the accumulated losses account of the Company as at 30 June 2011 of HK\$590,734,606
“Board”	the board of Directors
“Company”	Dan Form Holdings Company Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Stock Exchange (Stock Code: 271)
“Court”	the High Court of Hong Kong
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be held at the registered office of the Company at 33/F., Tower A, Billion Centre, 1 Wang Kwong Road, Kowloon Bay, Hong Kong on Friday, 9 December 2011 at 10:00 a.m. to approve the Reduction of Share Premium Account
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Reduction of Share Premium Account”	the proposed reduction of the share premium account of the Company as set out in this circular
“Share(s)”	ordinary share(s) of HK\$0.50 each in the share capital of the Company
“Shareholders”	registered holders of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited



# DAN FORM HOLDINGS COMPANY LIMITED

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 271)**

***Executive Directors:***

Mr. Dai Xiaoming  
Mr. Kenneth Hiu King Kon

***Independent Non-Executive Directors:***

Mr. Jesse Nai Chau Leung  
Dr. Xiang Bing  
Mr. Edward Shen

***Registered Office:***

33/F., Tower A,  
Billion Centre,  
1 Wang Kwong Road,  
Kowloon Bay,  
Hong Kong

14 November 2011

*To the Shareholders*

Dear Sir or Madam,

## **PROPOSED REDUCTION OF SHARE PREMIUM ACCOUNT AND NOTICE OF EXTRAORDINARY GENERAL MEETING**

### **1. INTRODUCTION**

On 8 November 2011, the Board announced that it would like to put forward a proposal for the Reduction of Share Premium Account for approval by the Shareholders at the EGM. The purpose of this circular is to provide you with information relating to, amongst other things, details of the Reduction of Share Premium Account and a notice of the EGM.

### **2. PROPOSED REDUCTION OF SHARE PREMIUM ACCOUNT**

The Board intends to put forward for approval by the Shareholders at the EGM a proposal to reduce the amount standing to the credit of the share premium account of the Company by an amount of HK\$576,734,000 and to apply the credit arising from the reduction to eliminate the Accumulated Losses by the same amount.

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## LETTER FROM THE BOARD

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### 3. EFFECTS OF THE REDUCTION OF SHARE PREMIUM ACCOUNT

According to the unaudited financial statements of the Company for the six months ended 30 June 2011, the Company had accumulated losses of HK\$590,734,606 as at 30 June 2011. As at the same date, the amount standing to the credit of the share premium account of the Company was HK\$637,639,000. As a result of the Reduction of Share Premium Account, the credit standing to the share premium account of the Company will be reduced by an amount of HK\$576,734,000, and the credit arising therefrom will be applied towards eliminating the Accumulated Losses by the same amount.

Other than the expenses incurred by the Company in relation to the Reduction of Share Premium Account, the implementation of the Reduction of Share Premium Account will not, of itself, alter the underlying assets, liabilities, business operations, management or financial positions of the Company or affect the interests of the Shareholders. The Directors also believe that the Reduction of Share Premium Account will not have any adverse effect on the financial position of the Group.

Further, the Reduction of Share Premium Account does not involve (i) any reduction of the issued share capital of the Company; or (ii) the diminution of any liability in respect of any unpaid capital of the Company; or (iii) the repayment to the Shareholders of any paid-up share capital of the Company. Accordingly the Shares held by the Shareholders will not be affected.

### 4. CONDITIONS FOR THE REDUCTION OF SHARE PREMIUM ACCOUNT

The Reduction of Share Premium Account will be conditional upon, inter alia, the following:-

- (i) the passing of a special resolution by the Shareholders approving the Reduction of Share Premium Account at the EGM;
- (ii) the Court making an order confirming the Reduction of Share Premium Account;
- (iii) the registration by the Registrar of Companies in Hong Kong of a copy of the order of the Court confirming the Reduction of Share Premium Account; and
- (iv) the compliance with any conditions as may be imposed by the Court in relation to the Reduction of Share Premium Account.

Assuming that all the conditions are fulfilled, the Reduction of Share Premium Account will become effective upon the registration of the Court order set out in (iii) of this section 4.

**Shareholders and potential investors should also be aware of and take note that the proposed Reduction of Share Premium Account is conditional upon satisfaction of the conditions precedent set out above. Therefore, the proposed Reduction of Share Premium Account may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares and other securities of the Company.**

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## LETTER FROM THE BOARD

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### 5. REASONS FOR THE REDUCTION OF SHARE PREMIUM ACCOUNT

As at 30 June 2011, the Accumulated Losses of the Company were approximately HK\$590,734,606 as shown in the unaudited financial statements of the Company for the six months ended 30 June 2011. The Reduction of Share Premium Account will enable the Company to eliminate a large part of the Accumulated Losses, cancel part of the share premium account of the Company which is lost or unrepresented by available assets, and it will also enable the financial statements of the Company to better reflect the financial position and business operations of the Group in the future. When the Reduction of Share Premium Account becomes effective, the Company will have a greater flexibility to make decision on its dividend policy, subject to the Company's performance and when the Directors consider it appropriate in the future.

Based on the reasons and effects of the Reduction of Share Premium Account as set out above, the Directors consider that the Reduction of Share Premium Account is in the interests of the Company and the Shareholders as a whole.

### 6. CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 7 December 2011 to Friday, 9 December 2011 (both dates inclusive). During such period no transfer of Shares will be registered.

In order to determine the identity of the members of the Company who are entitled to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged at the office of the Company's share registrar, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 6 December 2011.

### 7. EGM

The notice convening the EGM, at which a special resolution will be proposed to approve the Reduction of Share Premium Account, is set out on pages 6 to 7 of this circular. A form of proxy for use at the EGM is also enclosed.

Shareholders are advised to complete the enclosed form of proxy in accordance with the instructions printed thereon and deposit the same at the Company's registered office at 33/F., Tower A, Billion Centre, 1 Wang Kwong Road, Kowloon Bay, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM, or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting should you so wish.

Pursuant to the Rule 13.39(4) of the Listing Rules, the special resolution set out in the notice of the EGM will be decided by poll. An announcement of the poll results will be made after the EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

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## LETTER FROM THE BOARD

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### 8. RECOMMENDATION

The Directors (including the independent non-executive Directors) believe that the proposed Reduction of Share Premium Account is in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all Shareholders vote in favour of the special resolution to be proposed at the EGM.

### 9. 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.

By order of the Board  
**Dan Form Holdings Company Limited**  
**Dai Xiaoming**  
*Chairman*

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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# DAN FORM HOLDINGS COMPANY LIMITED

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 271)**

## NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** an extraordinary general meeting of Dan Form Holdings Company Limited (the “**Company**”) will be held at 33/F., Tower A, Billion Centre, 1 Wang Kwong Road, Kowloon Bay, Hong Kong on Friday, 9 December 2011 at 10:00 a.m. to consider and, if thought fit, pass with or without modifications, the following resolution as a special resolution of the Company:-

### SPECIAL RESOLUTION

“**THAT:**

- (a) subject to the confirmation of the High Court of Hong Kong, the credit standing to the share premium account of the Company which amounted to HK\$637,639,000 as at 30 June 2011 be reduced from HK\$637,639,000 to HK\$60,905,000 (the “**Reduction of Share Premium Account**”) and the entire amount of the credit arising from the Reduction of Share Premium Account be applied towards the elimination of the accumulated losses standing in the balance sheet of the Company by such amount, subject to any conditions that may be imposed by the High Court of Hong Kong; and
- (b) the Directors be and are hereby authorised generally to do all acts and things, and to approve, sign and execute any documents, which in their opinion may be necessary, desirable or expedient to implement or to give effect to the foregoing including, without limitation, to seek confirmation from the High Court of Hong Kong, and authorise counsel on behalf of the Company to provide any undertaking as is necessary to the High Court of Hong Kong in respect of the Reduction of the Share Premium Account.”

By order of the Board  
**Dan Form Holdings Company Limited**  
**Dai Xiaoming**  
*Chairman*

Hong Kong, 14 November 2011



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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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*Registered office:*

33/F., Tower A,  
Billion Centre,  
1 Wang Kwong Road,  
Kowloon Bay,  
Hong Kong

**Notes:**

1. A member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and, in the event of a poll, vote in his stead. A proxy need not be a member of the Company.
2. To be valid, the form of proxy, together with the power of attorney or other authority, if any, under which it is signed or a notarially certified true copy thereof must be deposited at the Company's registered office at 33/F., Tower A, Billion Centre, 1 Wang Kwong Road, Kowloon Bay, Hong Kong not less than 48 hours before the time appointed for the holding of the above meeting or any adjourned meeting.
3. Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof.
4. The register of members of the Company will be closed from Wednesday, 7 December 2011 to Friday, 9 December 2011 (both dates inclusive). During such period no transfer of shares of the Company will be registered.
5. In order to determine the identity of the members of the Company who are entitled to attend and vote at the above meeting, all transfer documents accompanied by the relevant share certificates must be lodged at the office of the Company's share registrar, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 6 December 2011.
6. As at the date hereof, the Board comprises five Directors, of whom two are Executive Directors, namely Mr. Dai Xiaoming and Mr. Kenneth Hiu King Kon; and three are Independent Non-Executive Directors, namely Mr. Jesse Nai Chau Leung, Dr. Xiang Bing and Mr. Edward Shen.