

**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 stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold all your shares in **Daisho Microline Holdings Limited**, you should at once hand this circular to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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



## **DAISHO MICROLINE HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 0567)**

### **GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES AND RE-ELECTION OF DIRECTORS AND NOTICE OF ANNUAL GENERAL MEETING**

---

A notice convening an annual general meeting of Daisho Microline Holdings Limited to be held at Room 730, 7/F., Kowloonbay International Trade & Exhibition Centre, 1 Trademart Drive, Kowloon Bay, Kowloon, Hong Kong on Monday, 3 September 2012 at 10:00 a.m. is set out on pages 13 to 16 of this circular. Whether or not you are able to attend the annual general meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the annual general meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof, should you so wish.

18 July 2012

# CONTENTS

	<i>Page</i>
<b>DEFINITIONS</b> .....	1
<b>LETTER FROM THE BOARD</b>	
INTRODUCTION .....	3
GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES .....	4
RE-ELECTION OF DIRECTORS .....	4
2012 AGM .....	4
RECOMMENDATION .....	5
<b>APPENDIX I – EXPLANATORY STATEMENT FOR REPURCHASE     MANDATE</b> .....	6
<b>APPENDIX II – DETAILS (INCLUDING BIOGRAPHIES) OF DIRECTORS     OFFERING THEMSELVES FOR RE-ELECTION</b> .....	9
<b>NOTICE OF ANNUAL GENERAL MEETING</b> .....	13

## DEFINITIONS

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

“2012 AGM”	the annual general meeting of the Company to be held at Room 730, 7/F., Hongkong International Trade & Exhibition Centre, 1 Trademart Kowloon Bay, Kowloon, Hong Kong on Monday, 3 September 2012 at 10:00 a.m., notice of which is set out on pages 13 to 16 of this circular
“Bye-Law(s)”	bye-law(s) of the Company
“Company”	Daisho Microline Holdings Limited, a limited company incorporated in Bermuda with its shares listed on the Stock Exchange
“Board”	the board of Directors of the Company
“Daisho Denshi”	Daisho Denshi Co., Ltd., a substantial shareholder of the Company with 10.41% equity interests in the Company at the Latest Practicable Date
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Latest Practicable Date”	12 July 2012, being the latest practicable date prior to the printing of this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Repurchase Mandate”	a general mandate proposed to be granted to the Directors to exercise all the powers of the Company to repurchase Shares listed on the Stock Exchange of up to 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of the resolution to grant such mandate at the 2012 AGM
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of HK\$0.10 each in the capital of the Company

## DEFINITIONS

“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.



## DAISHO MICROLINE HOLDINGS LIMITED

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 0567)**

*Directors:*

*Executive Directors:*

Chan Sik Ming, Harry  
*(Chairman and Chief Executive Officer)*  
Au-Yeung Wai Hung  
Yoshio Handa  
Shozo Sugaya

*Independent Non-Executive Directors:*

Chan Yuk Tong  
Li Chi Kwong  
Yeung Chi Shing, Bret

*Registered Offices:*

Canon's Court  
22 Victoria Street  
Hamilton, HM12  
Bermuda

*Principal Place of Business in*

*Hong Kong:*  
Units B12-16, 3rd Floor, Block B  
Hoplite Industrial Centre  
3-5 Wang Tai Road  
Kowloon Bay  
Hong Kong

18 July 2012

*To the Shareholders*

Dear Sir/Madam,

**GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES  
AND  
RE-ELECTION OF DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

### INTRODUCTION

The purpose of this circular is to provide you with information reasonably necessary to enable you to make a decision on whether to vote for or against the ordinary resolutions to be proposed at the 2012 AGM of the Company to be held on 3 September 2012 for the purpose of considering and if thought fit, passing resolutions to approve the general mandates granted to the Directors to issue and repurchase Shares of the Company and the re-election of the Directors.

## LETTER FROM THE BOARD

### GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES

Ordinary resolutions set out as resolutions numbered 4 to numbered 6 in the notice of 2012 AGM will be proposed to grant general mandates to the Directors (i) to allot, issue and deal with Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company on the date of passing the resolution and the nominal amount of any Shares repurchased by the Company (up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company on the date of passing the resolution); and (ii) to repurchase Shares up to 10% of the aggregate nominal amount of the issued share capital of the Company on the date of passing the resolution. Subject to the passing of the relevant ordinary resolutions and on the basis that no further Shares are issued or repurchased prior to the date of passing the relevant ordinary resolutions, the exercise in full of the general mandates would result in the issue and repurchase by the Company of a maximum of 96,048,757 Shares and 48,024,378 Shares respectively.

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

### RE-ELECTION OF DIRECTORS

In accordance with Bye-Law 102, Mr. Yeung Chi Shing Bret, Mr. Yoshio Handa and Mr. Shozo Sugaya will retire from their offices and, being eligible, will offer themselves for re-election at the 2012 AGM.

In accordance with Bye-Law 99(A), Dr. Li Chi Kwong will retire by rotation and, being eligible, will offer himself for re-election at the 2012 AGM.

The biographical details in respect of Mr. Yeung Chi Shing Bret, Mr. Yoshio Handa, Mr. Shozo Sugaya and Dr. Li Chi Kwong are set out in Appendix II to this circular.

### 2012 AGM

The notice convening the 2012 AGM to be held at Room 730, 7/F., Hongkong International Trade & Exhibition Centre, 1 Trademart Drive, Kowloon Bay, Kowloon, Hong Kong on 3 September 2012 at 10:00 a.m. is set out on pages 13 to 16 of this circular.

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

- (i) by the chairman of the meeting; or
- (ii) by at least three members present in person (or, in the case of a member being a corporation, by its duly authorised corporate representative) or by proxy for the time being entitled to vote at the meeting; or

## LETTER FROM THE BOARD

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

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, the chairman of the 2012 AGM will put each of the resolutions proposed at the 2012 AGM to be voted by way of a poll.

### RECOMMENDATION

The Directors believe that the granting of the general mandates and the re-election of Directors are in the interests of the Company and the Shareholders and accordingly recommend you to vote in favour of all the resolutions relating to the general mandates to issue Shares and repurchase Shares and the re-election of Directors to be proposed at the 2012 AGM.

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

Yours faithfully,  
By Order of the Board  
**Au-Yeung Wai Hung**  
*Executive Director*

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

## **1. SHARE CAPITAL**

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

Subject to the passing of the relevant ordinary resolution to approve the Repurchase Mandate (as set out in resolution numbered 5 of the notice of the 2012 AGM) and on the basis that no further Shares are issued prior to the 2012 AGM, exercise in full of the Repurchase Mandate would result in the repurchase by the Company of a maximum of 48,024,378 Shares during the period ending on the earliest of the date of the next annual general meeting following the 2012 AGM, the date by which the next annual general meeting following the 2012 AGM of the Company is required by the Bye-Laws or any applicable laws of Bermuda to be held or the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

## **2. REASONS FOR REPURCHASES**

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

There might be material adverse impact on the working capital or gearing position of the Company as compared with the financial position of the Company as at 31 March 2012 (being the date to which the latest audited financial statements of the Company were made up) in the event that the Repurchase Mandate is carried out in full during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

## **3. FUNDING OF REPURCHASES**

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



#### **4. MARKET PRICES**

The highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the twelve months from 1 July 2011 up to the Latest Practicable Date were as follows:

	<b>Highest Per Share</b>	<b>Lowest Per Share</b>
	<i>HK\$</i>	<i>HK\$</i>
<b>2011</b>		
July	0.510	0.460
August	0.470	0.300
September	0.375	0.232
October	0.300	0.250
November	0.280	0.211
December	0.255	0.227
<b>2012</b>		
January	0.255	0.224
February	0.395	0.228
March	0.300	0.242
April	0.290	0.226
May	0.225	0.200
June	0.230	0.190
July (up to the Latest Practicable Date)	0.185	0.185

#### **5. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSON**

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

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

#### **6. UNDERTAKING OF THE DIRECTORS**

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

## **7. EFFECT OF TAKEOVERS CODE**

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

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

## **8. SHARES REPURCHASES MADE BY THE COMPANY**

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

<b>APPENDIX II      DETAILS (INCLUDING BIOGRAPHIES) OF DIRECTORS OFFERING THEMSELVES FOR RE-ELECTION</b>
--

**Yeung Chi Shing, Bret**, aged 55, has been an independent non-executive director of the Company since November 2011. He is also a member of the audit committee, remuneration committee and nomination committee of the Company.

Mr. Yeung graduated from Jinan University in Guangzhou, Mainland China with a Bachelor's degree of Economics in 1983. He joined Nanyang Commercial Bank Limited soon after his graduation. From 1983 to 2002, he served several positions in Nanyang Commercial Bank Limited, including Representative and Chief Representative of Beijing Representative Office, President of Guangzhou Branch, Executive Vice President of Beijing Branch and President of Shenzhen Branch. He is currently an executive director of a private company engaging in the provision of real estates consultancy services. He has considerable years of experience in banking, business operation and management, particularly in the banking and financial business in the Mainland China.

Mr. Yeung is not related to any directors, senior management or substantial or controlling shareholders of the Company. Save as disclosed above, he has not held any other positions with the Company and its subsidiaries nor did he hold any directorship in other listed public companies during the past three years.

According to his service contract with the Company, Mr. Yeung has a fixed terms of services of three years and he will be subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-Laws. He is entitled to a fixed annual director's fee of HK\$200,000.

As at the Latest Practicable Date, Mr. Yeung has no interests within the meaning of Part XV of the SFO.

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

<b>APPENDIX II      DETAILS (INCLUDING BIOGRAPHIES) OF DIRECTORS OFFERING THEMSELVES FOR RE-ELECTION</b>
--

**Yoshio Handa**, aged 62, has been an executive director of the Company since 11 July 2012.

Mr. Handa graduated from the chemical engineering faculty of Imaichi Technical High School in Japan. He has joined the production department of Daisho Denshi since August 1970. He has become the managing director and general manager of Daisho Denshi's additive operations department since May 1983, the executive director and general manager of Daisho Denshi's Tochigi factory since May 1988, the general manager of Daisho Denshi's production department and environment and safety promotion department since April 1994, the senior executive director of Daisho Denshi since June 2005 and also the vice president of Daisho Denshi since June 2008.

Apart from being the executive director and vice president of Daisho Denshi, Mr. Handa is also a shareholder of Daisho Denshi with shareholding interests in Daisho Denshi of 0.58% at the Latest Practicable Date.

Mr. Handa has not previously held any other position with the Company and its subsidiaries, and he has not held any directorship in other listed public companies in the past three years.

There is no service contract entered by the Company with Mr. Handa and no remuneration will be payable to him for being the executive director of the Company. There is also no fixed term of service for his office in the Company and he will be subject to the requirements on the re-election and retirement by rotation of directors at the annual general meeting of the Company in accordance with the provisions of the Company's New Bye-Laws.

Save as disclosed herein, Mr. Handa is not related to any directors, senior management or substantial shareholders or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Handa has no interests within the meaning of Part XV of the SFO.

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

<b>APPENDIX II      DETAILS (INCLUDING BIOGRAPHIES) OF DIRECTORS OFFERING THEMSELVES FOR RE-ELECTION</b>
--

**Shozo Sugaya**, aged 58, has been an executive director of the Company since 11 July 2012.

Mr. Sugaya graduated from the electrical engineering faculty of Tokyo Denki University in Japan. He has joined the design department of Daisho Denshi since March 1976. He has become the managing director and general manager of Daisho Denshi's design department since May 1990, the executive director and general manager of Daisho Denshi's sales department since May 1998, and also the senior executive director and vice president of Daisho Denshi since June 2005.

Apart from being the executive director and vice president of Daisho Denshi, Mr. Sugaya is also a shareholder of Daisho Denshi with shareholding interests in Daisho Denshi of 0.61% at the Latest Practicable Date.

Mr. Sugaya has not previously held any other position with the Company and its subsidiaries, and he has not held any directorship in other listed public companies in the past three years.

There is no service contract entered by the Company with Mr. Sugaya and no remuneration will be payable to him for being the executive director of the Company. There is also no fixed term of service for his office in the Company and he will be subject to the requirements on the re-election and retirement by rotation of directors at the annual general meeting of the Company in accordance with the provisions of the Company's New Bye-Laws.

Save as disclosed herein, Mr. Sugaya is not related to any directors, senior management or substantial shareholders or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Sugaya has no interests within the meaning of Part XV of the SFO.

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

<b>APPENDIX II      DETAILS (INCLUDING BIOGRAPHIES) OF DIRECTORS OFFERING THEMSELVES FOR RE-ELECTION</b>
--

**Li Chi Kwong**, aged 59, has been an independent non-executive director of the Company since December 2005. He is also a member of the audit committee, remuneration committee and nomination committee of the Company.

Dr. Li holds a Doctor of Philosophy degree from the University of Westminster in the United Kingdom and a Master of Science degree in Cybernetics from the London University in the United Kingdom. He also holds numerous professional qualifications in engineering, including Chartered Engineer, Member of the Institute of Mechanical Engineers, Fellow of the Institute of Engineering and Technology, Fellow of the Hong Kong Institute of Engineers, Senior Member of the Institute of Electrical and Electronic Engineers Inc., Fellow of the Hong Kong Association of the Advancement of Science and Technology, and he is also a Register Professional Engineer.

Dr. Li is at present an Associate Professor in the Department of Electronic and Information Engineering in the Hong Kong Polytechnic University where he has taught since January 1985. He has over 35 years of experience in the academic field relating to engineering and he has published about 150 technical papers in international journals and conferences. Dr. Li also serves in many professional and government committees.

Dr. Li is not related to any directors, senior management or substantial or controlling shareholders of the Company. Save as disclosed above, he has not held any other positions with the Company and its subsidiaries nor did he hold any directorship in other listed public companies during the past three years.

According to his service contract with the Company, Dr. Li has no fixed terms of services but will be subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Bye-Laws. He is entitled to a fixed annual director's fee of HK\$200,000.

As at the Latest Practicable Date, Dr. Li has no interests within the meaning of Part XV of the SFO.

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

NOTICE OF ANNUAL GENERAL MEETING



**DAISHO MICROLINE HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 0567)**

**NOTICE IS HEREBY GIVEN** that the annual general meeting of the Company will be held at Room 730, 7/F., Hongkong International Trade & Exhibition Centre, 1 Trademart Drive, Kowloon Bay, Kowloon, Hong Kong on Monday, 3 September 2012 at 10:00 a.m. for the following purposes:

1. To receive and adopt the Audited Financial Statements and the Reports of the Directors and Auditors for the year ended 31 March 2012.
2. (a) To re-elect Director
  - (i) Mr. Yeung Chi Shing, Bret
  - (ii) Mr. Yoshio Handa
  - (iii) Mr. Shozo Sugaya
  - (iv) Dr. Li Chi Kwong
- (b) To fix the number of directors to twelve
- (c) To authorise the Board of Directors to fix the remuneration of the directors
3. (a) To appoint Ernst & Young as Auditors for the ensuing year
- (b) To authorise the Board of Directors to fix the remuneration of the Auditors
4. As special business to consider and, if thought fit, pass the following resolution as an ordinary resolution with or without modifications:

**“THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue Shares of HK\$0.10 each in the capital of the Company and to make and grant offers, agreements and options (including bonds, warrants and debentures, notes and any securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require exercise of such power be and is hereby generally and unconditionally approved;

## NOTICE OF ANNUAL GENERAL MEETING

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

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

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

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company to holders of shares of the Company on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares as at this date (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the



## NOTICE OF ANNUAL GENERAL MEETING

requirements of any recognized regulatory body or any stock exchange in, any territory applicable to the Company).”

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

“THAT:

(a) subject to paragraph (b) of this resolution, the exercise by the directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to purchase issued shares in the capital of the Company subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time, be and is hereby generally and unconditionally approved;

(b) The aggregate nominal amount of the share capital of the Company to be purchased or agreed conditionally or unconditionally to be purchased by the directors pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company at the date of passing this resolution, and on the basis that no further shares are issued prior to the date of passing this resolution, exercise in full of the repurchase mandate would result in the repurchase by the Company of a maximum of 48,024,378 shares, and the said approval shall be limited accordingly; and

(c) For the purpose of this resolution,

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

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws of Bermuda to be held; and

(iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

## NOTICE OF ANNUAL GENERAL MEETING

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

“**THAT** the exercise by the directors of all powers of the Company to allot, issue and deal with additional shares in the capital of the Company in accordance with the general mandate granted pursuant to the resolution numbered 4 set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of shares of the Company purchased by the Company under the authority granted pursuant to the resolution numbered 5 set out in the notice convening this meeting provided that such amount shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company at the date of passing this resolution.”

By Order of the Board  
**Au-Yeung Wai Hung**  
*Company Secretary*

Hong Kong, 18 July 2012

*Notes:*

1. The chairman of the Annual General Meeting will put each of the above resolutions to be voted by way of a poll.
2. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company.
3. To be valid, the proxy form, together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the proxy form will not preclude any member from attending and voting in person at the meeting if the member so wishes.
4. An explanatory statement containing further details in respect of the resolution numbered 5 is set out in Appendix I of this Circular dated 18 July 2012.
5. With regard to the resolution numbered 2 in this notice, the Board of Directors recommends to the members of the Company to vote for the re-election of the four retiring directors, namely, Mr. Yeung Chi Shing Bret, Mr. Yoshio Handa, Mr. Shozo Sugaya and Dr. Li Chi Kwong who have all agreed to stand for the re-election. The biographical information of the four retiring directors are set out in the Appendix II to this Circular dated 18 July 2012.