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If you have sold or transferred all your Shares, you should at once hand this circular together with the enclosed form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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CHINESE ESTATES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 127)

GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES RE-ELECTION OF DIRECTORS AMENDMENTS TO THE BYE-LAWS AND NOTICE OF ANNUAL GENERAL MEETING

A notice convening the Annual General Meeting to be held at Concord Room I, 8th Floor, Renaissance Harbour View Hotel Hong Kong, No. 1 Harbour Road, Wanchai, Hong Kong on Friday, 28th May, 2010 at 11:00 a.m. is set out on pages 10 to 19 of this circular. A form of proxy for use by the Shareholders at the Annual General Meeting is enclosed with this circular for despatch to the Shareholders. Whether or not you intend to attend and/or vote at the Annual General Meeting in person, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's branch registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as practicable but in any event not less than 48 hours before the time for holding the Annual General Meeting or any adjournment thereof (as the case may be). 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 (as the case may be) should you so wish.

27th April, 2010

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Should there be any discrepancy between English and Chinese versions, the English version shall prevail.

DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at Concord Room I, 8th Floor, Renaissance Harbour View Hotel Hong Kong, No. 1 Harbour Road, Wanchai, Hong Kong on Friday, 28th May, 2010 at 11:00 a.m. or any adjournment thereof (as the case may be), notice of which is set out on pages 10 to 19 of this circular
“associate(s)”	has the same meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company with the latest amendments made on 15th May, 2007
“Company”	Chinese Estates Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company from time to time
“General Mandate”	a general mandate to issue, allot and deal with new shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the ordinary resolution in relation thereto
“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
“Latest Practicable Date”	21st April, 2010, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Repurchase Mandate”	a general and unconditional mandate to the Directors to exercise the power of the Company to repurchase issued and fully paid up shares in the share capital of the Company up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Codes”	the Codes on Takeovers and Mergers and Share Repurchases
“%”	per cent.

LETTER FROM THE BOARD



CHINESE ESTATES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 127)

Executive Director:

Joseph Lau, Luen-hung

(Chairman and Chief Executive Officer)

Non-executive Directors:

Lau, Ming-wai

Amy Lau, Yuk-wai

Independent Non-executive Directors:

Chan, Kwok-wai

Phillis Loh, Lai-ping

Ma, Tsz-chun

Registered Office:

Canon's Court

22 Victoria Street

Hamilton HM 12

Bermuda

Principal Office in Hong Kong:

26th Floor

MassMutual Tower

38 Gloucester Road

Wanchai

Hong Kong

27th April, 2010

To the Shareholders

Dear Sir or Madam,

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

INTRODUCTION

The purpose of this circular is to provide you with the notice of the Annual General Meeting as set out on pages 10 to 19 of this circular, and information regarding certain ordinary and special resolutions to be proposed at the Annual General Meeting to enable the Shareholders to make an informed decision on whether to vote for or against those resolutions.

LETTER FROM THE BOARD

The resolutions include (i) granting of the Repurchase Mandate to the Directors; (ii) granting to the Directors a general and unconditional mandate (a) to issue further Shares representing up to 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution and (b) to issue Shares not exceeding the aggregate nominal amount of share capital repurchased pursuant to the Repurchase Mandate; (iii) approving the re-election of Directors; and (iv) approving the amendments to the Bye-laws.

GENERAL MANDATE TO REPURCHASE SHARES

At the Annual General Meeting, an ordinary resolution will be proposed to grant to the Directors a general and unconditional mandate to exercise all powers of the Company to repurchase issued Shares subject to the criteria set out in this circular. The maximum number of Shares that may be repurchased pursuant to the Repurchase Mandate will be such number which represents 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution subject to the Listing Rules. The Repurchase Mandate will lapse on the earliest of, the date of the next annual general meeting, or the date by which the next annual general meeting of the Company is required to be held by laws and/or the Bye-laws, or the date upon which such authority is revoked or varied by ordinary resolution of the Company in general meeting.

In accordance with the Listing Rules, the Company is required to send to the Shareholders an explanatory statement containing all the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the resolution to grant to the Directors the Repurchase Mandate which is set out in the appendix to this circular.

GENERAL MANDATE TO ISSUE NEW SHARES

At the Annual General Meeting, an ordinary resolution will be proposed to grant to the Directors a general and unconditional mandate to issue, allot and deal with further Shares representing up to 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution.

Subject to the passing of the aforesaid ordinary resolutions of the Repurchase Mandate and the General Mandate, an ordinary resolution will also be proposed to authorise the Directors to issue new Shares in an amount not exceeding the aggregate nominal amount of the Shares purchased pursuant to the Repurchase Mandate.

LETTER FROM THE BOARD

RE-ELECTION OF DIRECTORS

Pursuant to Bye-law 111 of the Bye-laws, Ms. Amy Lau, Yuk-wai and Mr. Chan, Kwok-wai will retire from office by rotation as Directors at the Annual General Meeting and being eligible, offer themselves for re-election. Details of the Directors who are proposed to be re-elected at the Annual General Meeting are as follows:–

Ms. Amy Lau, Yuk-wai

Aged 57, has been a Non-executive Director of the Company since 28th September, 2004. Ms. Lau is also a non-executive director of Lifestyle International Holdings Limited, the shares of which are listed on the Stock Exchange. She is registered with the Royal College of Dental Surgeons of Ontario, Canada and a practising dentist in Ontario. Ms. Lau holds a Bachelor Degree of Science and a Doctor Degree of Dental Surgery from the University of Toronto, Canada. She is the younger sister of Mr. Joseph Lau, Luen-hung, the Chairman and Chief Executive Officer of the Company, and the aunt of Mr. Lau, Ming-wai, a Non-executive Director of the Company.

No service contract has been entered into between the Company and Ms. Lau. She was not appointed for any specified length or proposed length of service with the Company but is subject to retirement by rotation and eligible for re-election pursuant to the Bye-laws. Ms. Lau is entitled to a director's fee of HK\$220,000 per annum which was determined by the Board with reference to her duties and responsibilities as well as the prevailing market condition and is subject to annual review.

Save as disclosed above, Ms. Lau (i) did not hold any directorship in other listed public company in the last three years before the Latest Practicable Date; (ii) does not hold any other position with the Company or its subsidiaries; and (iii) is not connected and has no other relationship with any Director, senior management or substantial or controlling shareholder of the Company. Ms. Lau did not have any interest in Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date.

There is nothing required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules, nor is there any other matter which needs to be brought to the attention of the Shareholders in connection with Ms. Lau's re-election.

LETTER FROM THE BOARD

Mr. Chan, Kwok-wai

Aged 51, has been an Independent Non-executive Director of the Company since 28th September, 2004. He is also the chairman of the audit committee and remuneration committee of the Company. Mr. Chan holds a Bachelor Degree of Business Administration from the Monash University, Australia. He is also a member of the Hong Kong Securities Institute and an associate member of CPA Australia. He has over 30 years of experience in finance and accounting industries. Mr. Chan is currently a director of High Progress Consultants Limited. He is also an independent non-executive director of Junefield Department Store Group Limited, China Investments Holdings Limited, Tern Properties Company Limited, National Electronics Holdings Limited and Far East Consortium International Limited, the shares of all of which are listed on the Stock Exchange.

No service contract has been entered into between the Company and Mr. Chan. He was not appointed for any specified length or proposed length of service with the Company but is subject to retirement by rotation and eligible for re-election pursuant to the Bye-laws. Mr. Chan is entitled to a director's fee of HK\$220,000 per annum which was determined by the Board with reference to his duties and responsibilities as well as the prevailing market condition and is subject to annual review.

Save as disclosed above, Mr. Chan did not hold any directorship in other listed public company in the last three years before the Latest Practicable Date and does not hold any position with the Company or its subsidiaries. He is not connected and has no relationship with any Director, senior management or substantial or controlling shareholder of the Company. Mr. Chan did not have any interest in Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date.

There is nothing required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules, nor is there any other matter which needs to be brought to the attention of the Shareholders in connection with Mr. Chan's re-election.

LETTER FROM THE BOARD

PROPOSED AMENDMENTS TO THE BYE-LAWS

In order to bring the Bye-laws in line with certain amendments to the Listing Rules, the Board would like to seek the approval of the Shareholders to amend the Bye-laws as set out below:–

- (i) all votes of Shareholders at a general meeting shall be taken by poll if required by the Listing Rules; and
- (ii) allow the Company to send corporate communication materials to its Shareholders by electronic means pursuant to Rule 2.07A of the Listing Rules, as and when the Company considers appropriate and cost effective.

Details of the proposed amendments to the Bye-laws are set out in the notice of the Annual General Meeting contained in this circular. The proposed amendments are subject to the approval of the Shareholders by way of a special resolution at the Annual General Meeting.

ANNUAL GENERAL MEETING

The notice of the Annual General Meeting is set out on pages 10 to 19 of this circular. At the Annual General Meeting, in addition to the ordinary business of the meeting, ordinary resolutions will be proposed to approve the Repurchase Mandate, the General Mandate and the extension of the General Mandate to the Shares purchased pursuant to the Repurchase Mandate, and a special resolution will be proposed to approve the amendments to the Bye-laws.

A form of proxy for the Annual General Meeting is enclosed with this circular for despatch to Shareholders. Whether or not you intend to attend and/or vote at the Annual General Meeting in person, you are requested to complete the form of proxy and return it to the Company's branch registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, in accordance with the instructions printed thereon as soon as practicable but in any event not less than 48 hours before the time for holding the Annual General Meeting or any adjournment thereof (as the case may be). Completion and return of a form of proxy will not preclude you from attending and voting at the Annual General Meeting or any adjournment thereof (as the case may be) in person should you so wish.

The annual report of the Company for the year ended 31st December, 2009 will be despatched to Shareholders on or about 28th April, 2010.

LETTER FROM THE BOARD

RIGHT TO DEMAND A POLL

Pursuant to Bye-law 75 of the Bye-laws, a resolution put to the vote at any general 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) demanded by:–

- (a) the chairman of the meeting; or
- (b) at least three members present in person or by proxy for the time being entitled to vote at the meeting; or
- (c) any member or members present in person 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
- (d) a member or members present in person or by proxy and holding Shares conferring 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, the vote of shareholders at a general meeting must be taken by poll. The Company will procure the chairman of the Annual General Meeting to demand for voting by poll at the Annual General Meeting. Computershare Hong Kong Investor Services Limited, the branch registrar and transfer office of the Company in Hong Kong, will serve as the scrutineers for the vote-taking.

RECOMMENDATION

The Directors are of the opinion that proposals regarding the granting of the Repurchase Mandate, the General Mandate, and the extension of the General Mandate to the Shares purchased pursuant to the Repurchase Mandate, re-election of Directors and amendments to the Bye-laws are in the best interests of the Company and the Shareholders as a whole and recommend you to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

Yours faithfully,
Joseph Lau, Luen-hung
Chairman

This Appendix serves as an explanatory statement, as required under Rule 10.06(1)(b) of the Listing Rules, to provide requisite information to all Shareholders for their consideration of the Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued and fully-paid share capital of the Company was 1,950,000,079 Shares of HK\$0.10 each.

Subject to the passing of the ordinary resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 195,000,007 Shares, being 10% of the entire issued share capital of the Company.

2. REASONS FOR REPURCHASES

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders as repurchases of Shares may, depending on market conditions and funding arrangements at that time, lead to an enhancement of the net asset value per Share and/or earnings per Share, and an ability to do so would give the Company additional flexibility. The Board will review the Share price of the Company and its underlying net asset value regularly and may continue to repurchase its Shares on the Stock Exchange, when the Share price represents a significant discount to its net asset value. Shareholders can be assured that the Directors would only make such purchases in circumstances where they consider them to be in the best interests of the Company.

3. FUNDING OF REPURCHASES

In making repurchases, the Company may only apply funds legally available for such purposes in accordance with the Bye-laws and the laws of Bermuda. The laws of Bermuda provide that the amount of capital repaid in connection with a share repurchase may only be paid out of either the capital paid up on the relevant shares, or the funds of the Company that would otherwise be available for dividend or distribution or the proceeds of a fresh issue of shares made for the purpose. The premium payable on repurchase may only be paid out of either the funds of the Company that would otherwise be available for dividend or distribution or out of the Company's share premium before the Shares are repurchased. In accordance with the laws of Bermuda, the Shares so repurchased would be treated as cancelled but the aggregate amount of authorised share capital would not be reduced.

On the basis of the consolidated financial position of the Company as at 31st December, 2009 (being the date to which the latest published audited consolidated financial statements of the Company have been made up) and in particular the working capital position of the Company at that time and the number of Shares now in issue, the Directors consider that there might be a material adverse impact on the working capital position and the gearing position of the Company in the event that purchases of all the Shares subject to the Repurchase Mandate were to be carried out in full at any time during the Repurchase Mandate period. No purchase would be made in circumstances that would have a material adverse impact on the working capital position or the gearing position of the Company.

4. PRICES OF SHARES

The highest and lowest prices at which the Shares traded on the Stock Exchange during each of the previous twelve months before the Latest Practicable Date are as follows:–

	Price per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
April 2009	10.74	9.30
May 2009	12.78	9.73
June 2009	15.54	12.00
July 2009	14.82	12.60
August 2009	14.50	13.32
September 2009	14.22	13.00
October 2009	14.76	12.54
November 2009	13.70	12.46
December 2009	13.34	12.74
January 2010	13.50	12.24
February 2010	13.00	12.12
March 2010	13.72	12.42
April 2010 (up to the Latest Practicable Date)	13.42	12.86

5. UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules and the laws of Bermuda.

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

No connected persons of the Company have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, in the event that the Repurchase Mandate is granted by the Shareholders.

6. THE TAKEOVERS CODES

If a Shareholder's proportionate interest in the voting rights of the Company increases as a result of a share repurchase, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Codes and, if such increase results in a change of control, may in certain circumstances give rise to an obligation to make a general offer for Shares under Rule 26 of the Takeovers Codes.

As at the Latest Practicable Date, Mr. Joseph Lau, Luen-hung together with his associates (as defined in the Takeovers Codes), had deemed interests in the Shares representing approximately 73.31% of the issued share capital of the Company.

In the event that the Directors exercise in full the Repurchase Mandate which is to be approved by the Shareholders, the shareholding in the Company of Mr. Joseph Lau, Luen-hung together with his associates would be increased to approximately 81.46% of the issued share capital of the Company. The Directors are not aware of such an increase would give rise to an obligation to make a mandatory offer under the Takeovers Codes if the Repurchase Mandate was to be exercised in full.

Assuming that there is no further issue of Shares between the Latest Practicable Date and the date of repurchase, the exercise of the Repurchase Mandate whether in whole or in substantial part will result in less than 25% of the issued share capital of the Company being held by the public as required by Rule 8.08 of the Listing Rules. The Directors, however, have no present intention to exercise the Repurchase Mandate to an extent as may result in a public shareholding of less than such prescribed percentage.

7. SHARE REPURCHASE MADE BY THE COMPANY

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

NOTICE OF ANNUAL GENERAL MEETING



CHINESE ESTATES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 127)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Chinese Estates Holdings Limited (the “Company”) will be held at Concord Room I, 8th Floor, Renaissance Harbour View Hotel Hong Kong, No. 1 Harbour Road, Wanchai, Hong Kong on Friday, 28th May, 2010 at 11:00 a.m. (the “Meeting”) for the following purposes:

As Ordinary Business

1. To receive and consider the audited consolidated Financial Statements, Directors’ Report and Auditors’ Report for the year ended 31st December, 2009.
2. To approve payment of final dividend for the year ended 31st December, 2009.
3. To re-elect retiring Directors and to authorise the Directors to fix the remuneration of the Directors.
4. To re-appoint Auditors and to authorise the Directors to fix the remuneration of the Auditors.

As Special Business

5. To consider and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution of the Company:

“THAT:

- (a) subject to paragraph (c) below, the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to repurchase issued shares of HK\$0.10 each in the capital of the Company subject to and in accordance with all applicable laws and 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 approval in paragraph (a) above shall be in addition to any other authorisation given to the Directors of the Company and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to repurchase its shares at a price determined by the Directors;

NOTICE OF ANNUAL GENERAL MEETING

- (c) the aggregate nominal amount of the shares which are authorised to be repurchased by the Directors of the Company pursuant to the approval in paragraph (a) above shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution, and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

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

- 6. To consider and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution of the Company:

“THAT:

- (a) subject to paragraph (c) below, the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to issue, allot and deal with additional shares in the capital of the Company and to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall be in addition to any other authorisation given to the Directors of the Company and shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers after the end of the Relevant Period;

NOTICE OF ANNUAL GENERAL MEETING

- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval granted in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue, or (ii) the share award scheme or the share option scheme of the Company approved by The Stock Exchange of Hong Kong Limited, or (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Bye-laws of the Company, shall not exceed 20 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 purposes of this resolution:

“Relevant Period” shall have the same meaning as ascribed to it under resolution no. 5(d) as set out in the notice convening this meeting of which this resolution forms part; and

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company to holders of shares on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of or any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange, in any territory outside Hong Kong).”

7. To consider and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution of the Company:

“**THAT** conditional upon the passing of the resolutions nos. 5 and 6 of the notice convening this meeting, the general mandate granted to the Directors of the Company pursuant to the resolution no. 6 of the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of share capital of the Company repurchased by the Company under the authority granted pursuant to the resolution no. 5 of 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 as at the date of passing this resolution.”

NOTICE OF ANNUAL GENERAL MEETING

8. To consider and, if thought fit, pass with or without amendments, the following resolution as a Special Resolution of the Company:

(A) “**THAT** the existing Bye-laws of the Company be amended as follows:

(a) Bye-law 1

by deleting the definition of “the register” in Bye-law 1 in its entirety and substituting therefor the following new definition of “the register”:-

““the register” shall mean the register of members and any branch register of members of the Company to be kept pursuant to the provisions of the Companies Act;”;

(b) Bye-law 1

by inserting the following new definitions of “address” and “electronic” into Bye-law 1:-

““address” shall have the ordinary meaning given to it and shall include any facsimile number, electronic number or address or website used for the purposes of any communication pursuant to these bye-laws;

“electronic” shall mean relating to technology having electrical, digital, magnetic, wireless, optical electromagnetic or similar capabilities and such other meanings as given to it in the Electronic Transactions Act 1999 of Bermuda as may be amended from time to time;”;

(c) Bye-law 75

by deleting the existing Bye-law 75 in its entirety and substituting therefor the following new Bye-law 75:-

“75. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is required by the Listing Rules or (before or on the declaration of the result of the show of hands) demanded by:-

NOTICE OF ANNUAL GENERAL MEETING

- (i) the chairman of the meeting; or
- (ii) at least three members present in person or by proxy for the time being entitled to vote at the meeting; or
- (iii) any member or members present in person 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) a member or members present in person or by proxy and holding shares in the Company conferring 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.

Unless a poll be so required or demanded as aforesaid and, in the latter case, the demand is not withdrawn, a declaration by the chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour or against such resolution.”;

- (d) Bye-law 76

by deleting the existing Bye-law 76 in its entirety and substituting therefor the following new Bye-law 76:–

“76. Subject to bye-law 77, if a poll is required or demanded as aforesaid, it shall be taken in such manner (including the use of ballot or voting papers or tickets) and at such time and place, not being more than thirty days from the date of the meeting or adjourned meeting at which the poll was required or demanded as the chairman directs. No notice needs to be given of a poll not taken immediately. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was required or demanded. The demand for a poll may be withdrawn.”;

- (e) Bye-law 77

by inserting the words “required or” immediately after the words “Any poll” in Bye-law 77;

NOTICE OF ANNUAL GENERAL MEETING

(f) Bye-law 78

by inserting the words “required or” immediately after the words “or at which the poll is” in Bye-law 78;

(g) Bye-law 159

by deleting the existing Bye-law 159 in its entirety and substituting therefor the following new Bye-law 159:–

“159. (A) Except where otherwise expressly stated, any notice or document to be given to or by any person pursuant to these bye-laws shall be in writing or, to the extent permitted by the Statutes and any applicable rules prescribed by the Listing Rules from time to time and subject to this bye-law, contained in an electronic communication. A notice calling a meeting of the Directors need not be in writing.

(B) Any notice or document to be given to or by any person pursuant to these bye-laws may be served on or delivered to any shareholder of the Company either personally or by sending it through the post in a prepaid envelope or wrapper addressed to such shareholder at his registered address as appearing in the register or by leaving it at that address addressed to the shareholder or, to the extent permitted by the applicable Statutes and the Listing Rules, by telex, facsimile transmission number or other electronic transmission number, address or website provided by the shareholder to the Company for the purpose of transmission or by any other means authorised in writing by the shareholder concerned or (other than share certificates) by publishing it by way of advertisement in at least one English language newspaper and one Chinese language newspaper circulating generally in Hong Kong. In case of joint holders of a share, all notices shall be given to that one of the joint holders whose name stands first in the register and notice so given shall be sufficient notice to all the joint holders. Without limiting the generality of the foregoing but subject to the Statutes and any rules

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prescribed by the Listing Rules from time to time, a notice or document may be served or delivered by the Company to any shareholder by electronic means to such address as may from time to time be authorised by the shareholder concerned or by publishing it on a website and notifying the shareholder concerned that it has been so published (“**notice of availability**”). The notice of availability may be given to the shareholder by any of the means set out above (except by way of publishing on a website), subject to compliance with the requirements of the Statutes and the Listing Rules.

- (C) Any such notice or document may be served or delivered by the Company by reference to the register as it stands at any time not more than fifteen days before the date of service or delivery. No change in the register after that time shall invalidate that service or delivery. Where any notice or document is served or delivered to any person in respect of a share in accordance with these bye-laws, no person deriving any title or interest in that share shall be entitled to any further service or delivery of that notice or document.
- (D) Any notice or document required to be sent to or served upon the Company, or upon any officer of the Company, may be sent or served by leaving the same or sending it through the post in a prepaid envelope or wrapper addressed to the Company or to such officer at the head office or the registered office of the Company in Bermuda.
- (E) The board may from time to time specify the form and manner in which a notice may be given to the Company by electronic means, including one or more addresses for the receipt of an electronic communication, and may prescribe such procedures as they think fit for verifying the authenticity or integrity of any such electronic communication. Any notice may be given to the Company by electronic means only if it is given in accordance with the requirements specified by the board.”;

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(h) Bye-law 161 and its marginal note

by deleting the existing Bye-law 161 in its entirety and substituting therefor the following new Bye-law 161:–

“161. Any notice or other document:

- (i) if sent by mail, postage prepaid, shall be deemed to have been served or delivered on the day following that on which the letter, envelope, or wrapper containing the same is put into the post. In proving such service it shall be sufficient to prove that the letter, envelope or wrapper containing the notice or document was properly addressed and put into the post as prepaid mail. Any notice or document not sent by post but left by the Company at the address of a shareholder noted on the register shall be deemed to have been served or delivered on the day it was so left;
- (ii) if sent by electronic means (including through any relevant system but other than publishing on the Company’s website), shall be deemed to have been given on the day following that on which the electronic communication was sent by or on behalf of the Company;
- (iii) if published on a website shall be deemed to have been given by the Company to a shareholder on the later of (a) the date on which a notice of availability is deemed served on such shareholder and (b) the date on which such notice or document has been published on the website;
- (iv) if served or delivered by the Company by any other means authorised in writing by the shareholder concerned shall be deemed to have been served when the Company has carried out the action it has been authorised to take for that purpose;
- (v) if published by way of advertisement in newspapers shall be deemed to have been served or delivered on the day it was so published or posted.”;

by deleting the words “by post” immediately after the word “notice” in the marginal note to Bye-law 161”; and

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- (B) “**THAT** the Bye-laws of the Company in the form of the document marked “A” and produced to this meeting and for the purpose of identification signed by the Chairman of this meeting, which consolidates all of the proposed amendments referred to in Resolution (A) above be approved and adopted as the new Bye-laws of the Company in substitution for and to the exclusion of the existing Bye-laws of the Company with immediate effect.”

By Order of the Board
Lam, Kwong-wai
Company Secretary

Hong Kong, 27th April, 2010

Notes:

1. The register of members will be closed from 25th May, 2010 to 28th May, 2010, both days inclusive. In order to qualify for the recommended final dividend and for the purpose of ascertaining the members' entitlement to the attendance of the Meeting, all share transfers documents accompanied by the relevant share certificates must be lodged with the Company's branch registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 24th May, 2010.
2. Any shareholder of the Company (the "Shareholder(s)") entitled to attend and vote at the Meeting is entitled to appoint one or more separate proxies to attend and to vote instead of him. A proxy need not be a Shareholder.
3. To be valid, a form of proxy in the prescribed form together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof) must be deposited at the Company's branch registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the Meeting (or at any adjournment thereof).
4. All resolutions as set out in this notice will be taken by poll at the Meeting.

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5. With respect to the resolution no. 5 of this notice, approval is being sought from Shareholders for a general mandate to be given to the Directors to repurchase shares of the Company in accordance with all applicable laws and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).
6. With respect to the resolutions nos. 6 and 7 of this notice, approval is being sought from Shareholders for general mandates to be given to the Directors to issue, allot and deal with shares of the Company in accordance with all applicable laws and the Listing Rules.
7. With respect to the resolutions no. 8 of this notice, approval is being sought from Shareholders to amend the Bye-Laws of the Company.
8. A circular containing the information with respect to certain resolutions and this notice have been sent to the Shareholders. The annual report of the Company for the year ended 31st December, 2009 will be despatched to Shareholders on or about 28th April, 2010.
9. As at the date hereof, the Board comprised Mr. Joseph Lau, Luen-hung as Executive Director, Mr. Lau, Ming-wai and Ms. Amy Lau, Yuk-wai as Non-executive Directors and Mr. Chan, Kwok-wai, Ms. Phillis Loh, Lai-ping and Mr. Ma, Tsz-chun as Independent Non-executive Directors.