
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

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.

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



CHINESE ESTATES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 127)

**GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES
RE-ELECTION OF DIRECTORS
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 Thursday, 26th May, 2011 at 11:00 a.m. is set out on pages 10 to 13 of this circular. A form of proxy for 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.

20th April, 2011

CONTENTS

	<i>Page</i>
Definitions	ii
Letter from the Board	1
Appendix — Explanatory Statement for the Repurchase Mandate	7
Notice of Annual General Meeting	10

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 Thursday, 26th May, 2011 at 11:00 a.m. or any adjournment thereof (as the case may be), notice of which is set out on pages 10 to 13 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 28th May, 2010
“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 and unconditional mandate to the Directors 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 relevant resolution
“Group”	the Company and its subsidiaries from time to time
“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”	15th April, 2011, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Private Act”	The Chinese Estates Holdings Limited Company Act, 1989 for incorporating the Company as an exempted company under the laws of Bermuda in 1989
“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 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 Code”	the Code on Takeovers and Mergers
“%”	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 *(Vice Chairman)*

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

20th April, 2011

To the Shareholders

Dear Sir or Madam,

GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES RE-ELECTION OF DIRECTORS 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 13 of this circular, and information regarding certain ordinary 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.

The resolutions include (i) granting to the Directors the Repurchase Mandate; (ii) granting to the Directors a general and unconditional mandate (a) to issue new 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 additional new Shares in an amount not exceeding the aggregate nominal amount of Shares repurchased pursuant to the Repurchase Mandate; and (iii) approving the re-election of Directors.

LETTER FROM THE BOARD

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 new 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 additional new Shares in an amount not exceeding the aggregate nominal amount of the Shares repurchased pursuant to the Repurchase Mandate.

RE-ELECTION OF DIRECTORS

In order to comply with Appendix 14 — “Code on Corporate Governance Practices” to the Listing Rules, Mr. Joseph Lau, Luen-hung is willing to voluntarily retire from office as Director and pursuant to Bye-law 111 of the Bye-laws, Ms. Phillis Loh, Lai-ping and Mr. Ma, Tsz-chun will retire from office by rotation as Directors at the Annual General Meeting, all being eligible and offer themselves for re-election. Details of the Directors who are proposed to be re-elected at the Annual General Meeting are as follows:

Mr. Joseph Lau, Luen-hung

Aged 59, has been an Executive Director of the Company since 5th June, 1989. He is also the Chairman and Chief Executive Officer of the Company. Mr. Lau acts as a director of certain subsidiaries of the Company. He is also a non-executive director of Lifestyle International Holdings Limited, the shares of which are listed on the Stock Exchange. He holds a Bachelor Degree of Science from the University of Windsor, Canada. Mr. Lau has over 35 years of experience in corporate finance, manufacturing and property investment and development. He is the father of Mr. Lau, Ming-wai, the Vice Chairman and a Non-executive Director of the Company, and the elder brother of Ms. Amy Lau, Yuk-wai, a Non-executive Director of the Company.

LETTER FROM THE BOARD

Pursuant to the service agreement dated 26th March, 2010 entered into between the Company and Mr. Lau, Mr. Lau is entitled to a remuneration of HK\$18,000,000 per annum. He is entitled to bonuses and other benefits at the discretion of the Board. He may receive fees, remuneration, bonuses and benefits from any of the Group companies (other than the Company) for serving as its director pursuant to the terms of any separate service agreement which may be entered into between Mr. Lau and each of such companies. Mr. Lau's remuneration was determined by reference to his duties and responsibilities.

Save as disclosed above, Mr. 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 Group; and (iii) is not connected and has no other relationship with any Director, senior management or substantial or controlling shareholder of the Company.

According to the Private Act, it is stipulated that the executive chairman and any managing director should not be required to retire by rotation. However, as the Chairman and Chief Executive Officer of the Company, Mr. Lau is willing to voluntarily retire from his directorship at future annual general meetings of the Company at least once every three years, and being eligible, will offer himself for re-election at the relevant annual general meetings. Mr. Lau is willing to retire voluntarily at the Annual General Meeting and being eligible, offer himself for re-election.

Mr. Lau is the founder and an eligible beneficiary of a discretionary trust which is interested in 230,984,820 Shares as at the Latest Practicable Date. He is also the founder and an eligible beneficiary of another discretionary trust which is interested in 1,198,658,948 Shares as at the Latest Practicable Date. Apart from these, Mr. Lau does not have any other 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. Lau's re-election.

Ms. Phillis Loh, Lai-ping

Aged 46, has been an Independent Non-executive Director of the Company since 25th January, 2006. She is also a member of the audit committee and remuneration committee of the Company. Ms. Loh holds a Bachelor Degree of Laws and a Postgraduate Certificate in Laws, both from The University of Hong Kong. Ms. Loh was a practising solicitor from 1990 to 1997, and has since become a practising barrister-at-law after she was called to the Hong Kong Bar in 1998. She was admitted as a solicitor in Hong Kong (1990) and the United Kingdom (1991), and is also a barrister and solicitor in the Supreme Court of the Australian Capital Territory (since 1991).

LETTER FROM THE BOARD

No service contract has been entered into between the Company and Ms. Loh. 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. Loh is entitled to a director's fee of HK\$240,000 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. Loh does not hold any position with the Group. She is not connected and has no relationship with any Director, senior management or substantial or controlling shareholder of the Company. Ms. Loh did not have any interest in Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date. She did not hold any directorship in other listed public company in the last three years before 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. Loh's re-election.

Mr. Ma, Tsz-chun

Aged 45, has been an Independent Non-executive Director of the Company since 21st November, 2008. He is also a member of the audit committee and remuneration committee of the Company. Mr. Ma is a Certified Public Accountant (Practising) and has over 23 years of experience in auditing, finance and accounting industries. He is currently a director of ACE (CPA) Limited and a director and the general manager of Sino-Bridge China Consulting Limited. Mr. Ma holds a Master of Science Degree in E-Commerce (Business Programme) and a Master Degree in Business Administration, both from The Chinese University of Hong Kong as well as a Master of Science Degree in China Business Studies from The Hong Kong Polytechnic University. Mr. Ma is a fellow member of The Association of Chartered Certified Accountants in the United Kingdom, an associate member of Hong Kong Institute of Certified Public Accountants in Hong Kong, The Institute of Chartered Secretaries and Administrators in the United Kingdom and The Hong Kong Institute of Chartered Secretaries in Hong Kong respectively.

No service contract has been entered into between the Company and Mr. Ma. 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. Ma is entitled to a director's fee of HK\$240,000 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. Ma does not hold any position with the Group. He is not connected and has no relationship with any Director, senior management or substantial or controlling shareholder of the Company. Mr. Ma did not have any interest in Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date. He did not hold any directorship in other listed public company in the last three years before the Latest Practicable Date.

LETTER FROM THE BOARD

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. Ma's re-election.

Each of Ms. Loh and Mr. Ma has made an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company is of the view that Ms. Loh and Mr. Ma meet the independence guidelines set out in Rule 3.13 of the Listing Rules and are independent in accordance with the terms of the guidelines.

ANNUAL GENERAL MEETING

The notice of the Annual General Meeting is set out on pages 10 to 13 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 repurchased pursuant to the Repurchase Mandate.

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, 2010 will be despatched to Shareholders on or about 28th April, 2011.

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 required by the Listing Rules or (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

LETTER FROM THE BOARD

- (d) 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.

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 repurchased pursuant to the Repurchase Mandate and re-election of Directors 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 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 1,907,619,079 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 190,761,907 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. Shareholders can be assured that the Directors would only make such repurchases 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 repurchases 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 account before the shares are repurchased. In accordance with the laws of Bermuda, the shares so repurchased would be treated as cancelled but the amount of authorised share capital would not be reduced.

On the basis of the financial position of the Company as at 31st December, 2010 as disclosed in the audited consolidated financial statements contained in the Company's annual report for the year ended 31st December, 2010, 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 repurchases 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 repurchase 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 up to the Latest Practicable Date are as follows:

	Price per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
April 2010	13.42	12.86
May 2010	13.50	11.32
June 2010	14.24	12.62
July 2010	14.64	13.70
August 2010	14.72	13.30
September 2010	13.74	12.60
October 2010	13.50	12.86
November 2010	14.30	13.20
December 2010	13.78	12.62
January 2011	13.60	12.80
February 2011	13.28	12.70
March 2011	14.20	12.00
April 2011 (up to the Latest Practicable Date)	14.52	13.80

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 CODE

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 Code and, if such increase results in a change of control, may in certain circumstances give rise to an obligation to make a mandatory offer for Shares under Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Mr. Joseph Lau, Luen-hung together with his associates (as defined in the Takeovers Code) had deemed interests in the Shares representing approximately 74.94% 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 83.27% 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 Code 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 REPURCHASES 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 Thursday, 26th May, 2011 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, 2010.
2. To approve payment of final dividend for the year ended 31st December, 2010.
3. To re-elect retiring Directors and to authorise the Board to fix the remuneration of the Directors.
4. To re-appoint Auditors and to authorise the Board 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 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 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 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 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 powers of the Company to issue, allot and deal with new 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;
- (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

NOTICE OF ANNUAL GENERAL MEETING

(d) for the purpose 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 the 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 no. 5 and 6 as set out in the notice convening the Meeting, the general mandate granted to the Directors of the Company pursuant to the resolution no. 6 as set out in the notice convening the Meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of issued share capital of the Company repurchased by the Company under the authority granted pursuant to the resolution no. 5 as set out in the notice convening the 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.”

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

Hong Kong, 20th April, 2011

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. The register of members will be closed from 23rd May, 2011 to 26th May, 2011, 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 20th May, 2011.
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.
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 no. 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. 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, 2010 will be despatched to Shareholders on or about 28th April, 2011.
8. 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.