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If you have sold or transferred all your shares in **Allan International Holdings Limited** (the “Company”), 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 other agent through whom the sale or the transfer was effected for transmission to the purchaser or transferee.

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ALLAN INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 684)

PROPOSALS FOR GRANTING OF GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES, RE-ELECTION OF DIRECTORS AND ADOPTION OF 2012 SHARE OPTION SCHEME AND NOTICE OF ANNUAL GENERAL MEETING

A notice convening an annual general meeting of the Company to be held at 3:45 p.m. on 8 August 2012 at World Trade Centre Club Hong Kong, 38th Floor, World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong is set out on pages 20 to 24 of this circular. A form of proxy is also enclosed.

If you are not able to attend and vote at the annual general meeting, you are requested to complete the enclosed proxy form and return it to the office of the branch share registrar of the Company in Hong Kong, Tricor Standard Limited at 26/F., Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the annual general meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from subsequently attending and voting at the annual general meeting or any adjourned meeting should you so wish.

9 July 2012

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DEFINITIONS

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

“2002 Share Option Scheme”	the existing share option scheme adopted by the Company on 20 August 2002;
“2012 Share Option Scheme”	the share option scheme proposed to be adopted by the Company at the AGM, the principal terms of which are summarised in Appendix II to this circular;
“AGM”	the annual general meeting of the Company to be held at World Trade Centre Club Hong Kong, 38th Floor, World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong on 8 August 2012 at 3:45 p.m., to consider and, if appropriate, to approve the Ordinary Resolutions, or any adjournment thereof;
“AGM Notice”	the notice of the AGM despatched to the Shareholders together with this circular;
“associate”	has the same meaning ascribed in the Listing Rules;
“Benchmarked Price”	a price which is the higher of: <ul style="list-style-type: none">(a) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on the date of signing of the agreement to which the transaction relates; and(b) the average closing price of the Shares as stated in the Stock Exchange’s daily quotations sheets for the five trading days immediately preceding the earlier of:<ul style="list-style-type: none">(i) the date of signing of the agreement to which the transaction relates;(ii) the date on which the relevant transaction is announced; and(iii) the date on which the price of the Shares to be issued pursuant to the transaction is fixed;
“Board”	the board of Directors;
“Bye-laws”	the bye-laws of the Company;
“Company”	Allan International Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 684);

DEFINITIONS

“connected person”	has the same meaning ascribed in the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Eligible Employee”	any employee (whether full time or part time, including any executive director but not any non-executive director or independent non-executive director) of the Company, its subsidiaries and any Invested Entity;
“Grantee”	any Participant who accepts the offer of a grant of Option in accordance with the terms of the 2012 Share Option Scheme or (where the context so permits) a person entitled to any such Option in consequence of the death of the original Grantee;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Invested Entity”	any entity in which any member of the Group holds any equity interest;
“Issue Mandate”	a general mandate granted to the Directors at the annual general meeting of the Company held on 5 August 2011 to allot, issue and deal with Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at 5 August 2011;
“Latest Practicable Date”	27 June 2012, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Option”	an option to subscribe for Shares granted pursuant to the 2012 Share Option Scheme;
“Ordinary Resolutions”	the ordinary resolutions to be proposed and passed at the AGM as set out in the AGM Notice;
“Participant”	any person belonging to any of the following classes of participants: (a) any Eligible Employee; (b) any non-executive director (including independent non-executive directors) of the Company, any of its subsidiaries or any Invested Entity;

DEFINITIONS

- (c) any supplier of goods or services to any member of the Group or any Invested Entity;
- (d) any customer of the Group or any Invested Entity;
- (e) any agent or consultant that provides research, development or technological support or other services to the Group or any Invested Entity;
- (f) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity, who has contributed or may contribute to the development and growth of the Group and any Invested Entity; and
- (g) any ex-employee who has contributed to the development and growth of the Group and any Invested Entity;

“Proposed Repurchase Mandate”

a general mandate proposed to be granted to the Directors at the AGM to repurchase Shares not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution granting the Proposed Repurchase Mandate;

“Repurchase Mandate”

a general mandate granted to the Directors at the annual general meeting of the Company held on 5 August 2011 to repurchase Shares not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at 5 August 2011;

“SFO”

the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);

“Share(s)”

ordinary share(s) of HK\$0.10 each in the capital of the Company or if there has been a sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, share(s) forming part of the ordinary share capital of the Company;

“Shareholder(s)”

registered holder(s) of Share(s);

“Stock Exchange”

The Stock Exchange of Hong Kong Limited;

“subsidiary”

has the same meaning ascribed in the Listing Rules;

“Takeovers Code”

the Hong Kong Code on Takeovers and Mergers; and

“HK\$” and “cents”

Hong Kong dollars and cents, the lawful currency of Hong Kong.

LETTER FROM THE BOARD



ALLAN INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 684)

Executive Directors:

Mr. Cheung Lun (*Chairman*)
Mr. Cheung Shu Wan (*Managing Director*)
Ms. Cheung Lai Chun, Maggie
Ms. Cheung Lai See, Sophie
Mr. Cheung Pui

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Independent Non-Executive Directors:

Dr. Chan How Chun
Mr. Lai Ah Ming, Leon
Professor Lo Chung Mau

Head Office and Principal Place of

Business in Hong Kong:

12th Floor
Zung Fu Industrial Building
1067 King's Road
Quarry Bay
Hong Kong

9 July 2012

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR
GRANTING OF GENERAL MANDATES TO ISSUE AND REPURCHASE
SHARES,
RE-ELECTION OF DIRECTORS
AND
ADOPTION OF THE 2012 SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information in respect of the Ordinary Resolutions to be proposed at the AGM for the granting to the Directors of general mandates to issue and repurchase Shares, re-election of retiring Directors and adoption of the 2012 Share Option Scheme.

LETTER FROM THE BOARD

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

At the annual general meeting of the Company held on 5 August 2011, ordinary resolutions were passed granting the Issue Mandate and the Repurchase Mandate to the Directors. In accordance with the provisions of the Listing Rules and the terms of the Issue Mandate and the Repurchase Mandate, the Issue Mandate and the Repurchase Mandate will lapse at the conclusion of the AGM.

Resolutions numbered 5 and 6 as set out in the AGM Notice will be proposed at the AGM to grant to the Directors a general mandate:

- (a) to allot, issue and deal with Shares not exceeding:
 - (i) in the case of an allotment and issue of Shares for cash (other than an allotment and issue of Shares pursuant to a rights issue), 5% of the aggregate nominal amount of the issued share capital of the Company as at the date of the AGM; and
 - (ii) in the case of an allotment and issue of Shares other than for cash, 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of the AGM (less Shares (if any) issued pursuant to the general mandate granted pursuant to sub-paragraph (i) above),

provided that, in any event, any Shares to be allotted and issued pursuant to this general mandate shall not be allotted and issued at a discount of 5% or more to the Benchmarked Price of the Shares; and

- (b) to repurchase Shares the aggregate amount of which does not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the AGM.

Subject to the passing of resolutions numbered 5 and 6 as set out in the AGM Notice, resolution numbered 7 will be proposed to extend the general mandate granted to the Directors pursuant to resolution numbered 5 by adding to it the aggregate nominal amount of the issued share capital repurchased by the Company pursuant to the Proposed Repurchase Mandate.

Based on the number of Shares in issue of 335,432,520 as at the Latest Practicable Date and assuming that such issued share capital remains unchanged at the date of the AGM, the maximum number of Shares which may be issued pursuant to the general mandate granted to the Directors under resolution numbered 5 will not exceed 67,086,504 Shares, being 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of the AGM.

An explanatory statement required by the Listing Rules to be sent to the Shareholders in connection with the Proposed Repurchase Mandate is set out in Appendix I to this circular. Appendix I contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolution at the AGM.

LETTER FROM THE BOARD

RE-ELECTION OF DIRECTORS

According to Bye-law 87 of the Bye-laws, Ms. Cheung Lai Chun, Maggie and Professor Lo Chung Mau will retire by rotation at the AGM and, being eligible, offer themselves for re-election.

A brief biography of each of Ms. Cheung Lai Chun, Maggie and Professor Lo Chung Mau and other relevant particulars are set out as follows:

Ms. Cheung Lai Chun, Maggie, aged 54, is an executive director of the Company and joined the Group in 1984. She obtained a degree in Bachelor of Science from Kingston Polytechnic, England. She is in charge of the overall manufacturing operations of the Group. She has not held any directorship in other public companies during the last three years.

Ms. Cheung is a director of a majority of the subsidiaries of the Company. She is also a director of Unison Associates Limited and Allan Investment Company Limited, controlling shareholders of the Company. She has entered into a service contract with the Company for a term of three years subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Bye-laws. She is entitled to a fixed basic salary and an additional discretionary bonus based on a combination of individual and corporate performance. With her executive position, Ms. Cheung is not entitled to any director's fee otherwise available to non-executive Directors.

Ms. Cheung is the daughter of Mr. Cheung Lun, the Chairman of the Group; sister of Mr. Cheung Shu Wan, the Managing Director of the Group and Ms. Cheung Lai See, Sophie, an executive Director; and also the cousin of Mr. Cheung Pui, an executive Director. As at the Latest Practicable Date, according to the register maintained by the Company pursuant to section 352 of the SFO, Ms. Cheung had personal interest in 600,000 Shares and the trustee of The Cheung Lun Family Trust (the beneficiaries of which include Ms. Cheung and other family members other than spouse) directly and indirectly had interest in 148,529,960 Shares. Details of her interests are provided in the "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures" section in the 2011/2012 Annual Report of the Company.

Save as disclosed above, there are no other matters relating to her re-election that need to be brought to the attention of the Shareholders and there is no information which is required to be disclosed pursuant to any of the requirements of Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

Professor Lo Chung Mau, aged 51, was appointed as an independent non-executive director of the Company in November 1997. He is a surgeon and is currently the Chin Lan Hong Professor and Head of Department of Surgery of the University of Hong Kong.

Professor Lo does not have any relationship with any other directors, senior management, substantial or controlling shareholders (both as defined in the Listing Rules) of the Company. He has not held any directorship in other public companies during the past three years.

There is no service agreement between the Company and Professor Lo regarding his appointment as an independent non-executive Director but Professor Lo is entitled to an annual director's fee of HK\$100,000 for the financial year ended 31 March 2012 based on the Group's remuneration policies, which is subject to the approval of the Board. Professor Lo has never received any annual director's fee since his appointment.

LETTER FROM THE BOARD

As at the Latest Practicable Date, Professor Lo did not have, and was not deemed to have, any interests or short positions in any shares, underlying shares or debentures of the Company and/or its associated corporations (within the meaning of Part XV of the SFO).

Pursuant to paragraph A.4.3 of the Corporate Governance Code set out in Appendix 14 to the Listing Rules, any further appointment of an independent non-executive director in excess of nine years should be subject to a separate resolution to be approved by shareholders. Professor Lo was appointed as an independent non-executive director of the Company in 1997 and has served on the Board for more than nine years. In accordance with Bye-law 87 of the Bye-laws, Professor Lo should retire at the AGM. Nevertheless, the Board recommends the Shareholders to vote in favour of the resolution to re-elect Professor Lo as an independent non-executive director of the Company for a further term of three years. Professor Lo has never held any executive or management position in the Group nor has he throughout such period been under the employment of any member of the Group. There is no evidence that the independence of Professor Lo, especially in terms of exercising independent judgment and objective challenges to the management, has been or will be in any way compromised or affected by his length of service to the Company. The Board is confident that Professor Lo will continue to make valuable contribution to the Company by providing his balanced and objective views to the Board. Professor Lo has also provided an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Board therefore comes to the view that Professor Lo should be re-elected for a further term at the AGM.

Save as disclosed above, there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders and there is no information which is required to be disclosed pursuant to any of the requirements of Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

ADOPTION OF THE 2012 SHARE OPTION SCHEME

The 2002 Share Option Scheme was adopted by the Company on 20 August 2002 and will expire on 19 August 2012. In view of the soon expiration of the 2002 Share Option Scheme, an ordinary resolution will be proposed at the AGM for the Company to approve the adoption of the 2012 Share Option Scheme.

A summary of the principal terms of the rules of the 2012 Share Option Scheme which is proposed to be approved and adopted by the Company at the AGM is set out in Appendix II to this circular. A copy of the rules of the 2012 Share Option Scheme is available for inspection at the principal place of business of the Company in Hong Kong at 12th Floor, Zung Fu Industrial Building, 1067 King's Road, Quarry Bay, Hong Kong during normal business hours from the date hereof up to and including the date of the AGM and at the AGM.

The 2012 Share Option Scheme is conditional upon:

- (a) the passing of an ordinary resolution by the Shareholders at the AGM approving the adoption of the 2012 Share Option Scheme; and
- (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, any new Shares which may fall to be allotted and issued upon exercise of the subscription rights attaching to the Options that may be granted under the 2012 Share Option Scheme.

LETTER FROM THE BOARD

The 2002 Share Option Scheme will be terminated on the date when the 2012 Share Option Scheme comes into effect upon the fulfillment of the conditions set out above. Upon termination of the 2002 Share Option Scheme, no further options will be granted thereunder but in all other respects, the provisions of the 2002 Share Option Scheme shall remain in force and all options which have been granted prior to such termination shall continue to be valid and exercisable in accordance with the terms thereof. As at the Latest Practicable Date, there were no outstanding options granted under the 2002 Share Option Scheme. The Directors also have no present intention to grant further options under the 2002 Share Option Scheme during the period between the Latest Practicable Date and the date of the AGM.

Based on the number of Shares in issue of 335,432,520 as at the Latest Practicable Date, Options to subscribe for up to 33,543,252 Shares may be granted to the Participants under the 2012 Share Option Scheme should the 2012 Share Option Scheme be adopted.

The Directors consider that it is not appropriate to state the value of all Options that may be granted under the 2012 Share Option Scheme as if they had been granted at the Latest Practicable Date given that the variables which are crucial for the calculation of the value of such Options cannot be determined at the moment. The variables which are crucial for the determination of the value of such Options include, the subscription price for the Shares, the time of grant of such Options, the period during which the subscription rights may be exercised, the discretion of the Board to impose any performance target that has to be achieved before the subscription rights attaching to the Options may be exercised and any other conditions that the Board may impose on the Options. The subscription price payable for the Shares depends on the price of the Shares as quoted on the Stock Exchange, which in turn depends on when the Options are granted. With a scheme life of ten years, it is difficult to ascertain with accuracy the subscription price of the Shares given the volatility to which the Share price may be subject during the 10-year life span of the 2012 Share Option Scheme. As the value of the Options depends on a number of variables which are either difficult to ascertain at the moment or can only be ascertained subject to a number of theoretical basis and speculative assumptions, the Directors believe that any calculation of the value of the Options will not be meaningful and may be misleading to the Shareholders in the circumstances.

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, any new Shares which may fall to be allotted and issued upon exercise of the subscription rights attaching to the Options that may be granted under the 2012 Share Option Scheme.

The purpose of the 2012 Share Option Scheme is to provide incentives or rewards to the Participants for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group and any Invested Entity.

LETTER FROM THE BOARD

Under the rules of the 2012 Share Option Scheme, the Board has the discretion to set a minimum period for which an Option has to be held before the subscription rights attaching thereto may be exercised. This discretion allows the Board to provide incentive to a Participant to remain as a Participant during the minimum period and thereby enables the Group or the relevant Invested Entity to continue to benefit from the services of such Participant during such period. This discretion, coupled with the power of the Board to impose any performance target as it considers appropriate before any Option can be exercised, enable the Group to provide incentives to the Participants to use their best endeavours in assisting the growth and development of the Group. Although the 2012 Share Option Scheme does not allow subscription of Shares at a discount to the trading price of the Shares, the Directors are of the view that the flexibility given to the Board to impose minimum period for which the Options have to be held and performance targets that have to be achieved before the Options can be exercised, will place the Group in a better position to attract human resources that are valuable to the growth and development of the Group as a whole.

VOTING BY POLL

Pursuant to the Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, the chairman of the AGM will demand a poll for all the resolutions set out in the AGM Notice. After the conclusion of the AGM, the results of the poll will be published on the websites of the Stock Exchange (www.hkexnews.hk) and of the Company (www.allan.com.hk).

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

RECOMMENDATION

The Board considers that the proposals relating to the granting of general mandates to issue and repurchase Shares, re-election of Directors and adoption of the 2012 Share Option Scheme are in the best interests of the Company and its shareholders as a whole and accordingly recommends you to vote in favour of the relevant resolutions to be proposed at the AGM.

Yours faithfully,
By order of the Board
Cheung Lai See, Sophie
Director

This Appendix contains the particulars that are required by the Listing Rules to be included in an explanatory statement to enable the Shareholders to make an informed view on whether to vote for or against the resolution to be proposed at the AGM in relation to the Proposed Repurchase Mandate.

LISTING RULES FOR REPURCHASE OF SHARES

The relevant sections of the Listing Rules which permit companies with primary listing on the Stock Exchange to repurchase their shares on the Stock Exchange subject to certain restrictions are summarised below:

SOURCE OF FUNDS

Repurchases must be funded out of funds legally available for the purpose and in accordance with the company's constitutional documents and the laws of the jurisdiction in which the company was incorporated or otherwise established.

SHARE CAPITAL

As at the Latest Practicable Date, the number of Shares in issue was 335,432,520. Subject to the passing of the resolution granting the Proposed Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the AGM, the Company will be allowed to repurchase a maximum of 33,543,252 Shares during the period ending on the earlier of the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required to be held by law or the date upon which such authority is revoked or varied by a resolution of the Shareholders in general meeting.

REASONS FOR REPURCHASES

The Directors believe that it is in the best interest of the Company and the Shareholders to seek a general authority from the Shareholders to enable the Company to repurchase its Shares on the Stock Exchange. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

The Directors have no present intention to repurchase any Shares and they would only exercise the power to repurchase in circumstances where they consider that the repurchase would be in the best interests of the Company. The Directors consider that if the general mandate to repurchase Shares were to be exercised in full at the currently prevailing market value, it would have a material adverse impact on the working capital position and gearing position of the Company, as compared with the positions disclosed in the audited consolidated financial statements of the Company for the year ended 31 March 2012, being the date to which the latest published audited financial statements of the Company were made up. The Directors do not propose to exercise the Proposed Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing levels of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

SHARE PRICES

The following table shows the highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the last twelve months preceding the Latest Practicable Date.

Month	Share prices	
	Highest HK\$	Lowest HK\$
2011		
June	3.77	2.99
July	3.20	2.96
August	3.01	2.29
September	2.48	2.03
October	2.35	1.90
November	2.38	1.91
December	2.05	1.80
2012		
January	2.32	1.83
February	2.30	1.91
March	2.28	2.00
April	2.10	2.00
May	2.10	1.80
June (up to and including the Latest Practicable Date)	2.08	1.85

GENERAL

To the best of their knowledge, having made all reasonable enquiries, none of the Directors nor any of their associates currently intend to sell any Shares to the Company or its subsidiaries in the event that the Proposed Repurchase Mandate is approved.

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

No connected person has notified the Company that he has a present intention to sell any Shares to the Company or has undertaken not to do so in the event that the Proposed Repurchase Mandate is approved.

If as a result of a repurchase of Shares, 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 Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert, depending on the level of increase of the Shareholders' interest, 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.

As at the Latest Practicable Date, the trustee of The Cheung Lun Family Trust (the beneficiaries of which include Mr. Cheung Shu Wan, Ms. Cheung Lai Chun, Maggie, Ms. Cheung Lai See, Sophie and other family members other than spouse) and other parties associated with the Cheung family hold directly or indirectly 60.14% of the issued share capital of the Company.

In the event that the Directors shall exercise the Proposed Repurchase Mandate in full and assuming there is no change in the issued share capital of the Company as at the date of passing the relevant resolution granting the Proposed Repurchase Mandate, the interest of the trustee of The Cheung Lun Family Trust and other parties associated with the Cheung family would be increased to approximately 66.82%. To the best knowledge of the Directors, these situations would not give rise to any consequences under the Takeovers Code and at least 25% of the issued share capital of the Company would still remain in public hands.

The Company has not repurchased any Shares on the Stock Exchange in the six months preceding the date of this circular.

APPENDIX II PRINCIPAL TERMS OF THE 2012 SHARE OPTION SCHEME

(A) PURPOSE OF THE SCHEME

The purpose of the 2012 Share Option Scheme is to provide incentives or rewards to the Participants for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group and any Invested Entity.

(B) WHO MAY JOIN

The Directors may, at their absolute discretion, invite any person belonging to any of the following classes, to take up Options to subscribe for Shares:

- (aa) any Eligible Employee;
- (bb) any non-executive director (including independent non-executive directors) of the Company, any of its subsidiaries or any Invested Entity;
- (cc) any supplier of goods or services to any member of the Group or any Invested Entity;
- (dd) any customer of the Group or any Invested Entity;
- (ee) any agent or consultant that provides research, development or technological support or other services to the Group or any Invested Entity;
- (ff) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity, who has contributed or may contribute to the development and growth of the Group and any Invested Entity; and
- (gg) any ex-employee who has contributed to the development and growth of the Group and any Invested Entity,

and, for the purpose of the 2012 Share Option Scheme, Options may be granted to any company wholly owned by one or more persons belonging to any of the above classes.

The basis of eligibility of any Participant to a grant of Option shall be determined by the Directors from time to time on the basis of such person's contribution to the development and growth of the Group and any Invested Entity.

(C) MAXIMUM NUMBER OF SHARES

- (aa) The maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2012 Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 30 per cent. of the issued share capital of the Company from time to time.
- (bb) The maximum number of Shares which may be issued upon exercise of all options granted under the 2012 Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 33,543,252 Shares (assuming there is no change in the issued share capital of the Company as at the date of passing the relevant resolution adopting the 2012 Share Option Scheme), being 10 per cent. of the issued share capital of the Company as at the date of passing the relevant ordinary resolution (“**General Scheme Limit**”).

APPENDIX II PRINCIPAL TERMS OF THE 2012 SHARE OPTION SCHEME

- (cc) Subject to (aa) above and without prejudice to (dd) below, the Company may seek approval of the Shareholders in general meeting to refresh the General Scheme Limit provided that the total number of Shares which may be issued upon exercise of all options granted under the 2012 Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 10 per cent. of the issued share capital of the Company as at the date of approval of the limit and for the purpose of calculating the limit, options previously granted (including those outstanding, cancelled, lapsed or exercised in accordance with the 2012 Share Option Scheme or any other share option schemes of the Company) will not be counted.
- (dd) Subject to (aa) above and without prejudice to (cc) above, the Company may issue a circular to the Shareholders and seek separate Shareholders' approval in general meeting to grant Options beyond the General Scheme Limit or, if applicable, the limit referred to in (cc) above to Participants specifically identified by the Company before such approval is sought.

(D) MAXIMUM ENTITLEMENT OF EACH PARTICIPANT

The total number of Shares issued and which may fall to be issued upon exercise of all options granted under the 2012 Share Option Scheme and any other share option schemes of the Company (including exercised, cancelled and outstanding options) to each Participant in any 12-month period shall not exceed 1 per cent. of the issued share capital of the Company (“**Individual Limit**”). Any further grant of Options in excess of the Individual Limit in any 12-month period up to and including the date of such further grant shall be subject to the issue of a circular to the Shareholders and the Shareholders' approval in general meeting of the Company with such Participant and his associates abstaining from voting.

(E) GRANT OF OPTIONS TO CONNECTED PERSONS

- (aa) Any grant of Options under the 2012 Share Option Scheme to a director, chief executive or substantial shareholder of the Company, or any of their respective associates, must be approved by the independent non-executive Directors (excluding the independent non-executive Director who is the Grantee of the Options).
- (bb) In the event of any change in the terms of Options granted to a substantial shareholder or an independent non-executive director of the Company, or any of their respective associates; or where any grant of Options to a substantial shareholder or an independent non-executive director of the Company, or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:
- (i) representing in aggregate over 0.1 per cent. of the Shares in issue; and
 - (ii) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5,000,000,

such further grant of Options must be approved by the Shareholder. The Company must send a circular to the Shareholders. All connected persons of the Company must abstain from voting at such general meeting, except that any connected person may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular.

APPENDIX II PRINCIPAL TERMS OF THE 2012 SHARE OPTION SCHEME

(F) TIME OF ACCEPTANCE AND EXERCISE OF AN OPTION

An offer of grant of Option may be accepted by a Participant within 28 days from the date of the offer of grant of Option. A consideration of HK\$1 is payable on the acceptance of the offer of grant of Option.

An Option may be exercised in accordance with the terms of the 2012 Share Option Scheme at any time during a period to be determined and notified by the Directors to each Grantee, which period may commence on the date on which the offer for the grant of Option is made but shall end in any event not later than 10 years from the date of grant of the Option subject to the provisions for early termination thereof and to the minimum period for which the Option has to be held before it can be exercised as the Directors may at their discretion determine. No minimum period for which the Option has to be held before it can be exercised is specified in the 2012 Share Option Scheme.

(G) PERFORMANCE TARGETS

Unless the Directors otherwise determine and state in the offer of grant of Option to a Participant, a Participant is not required to achieve any performance targets before any Option granted under the 2012 Share Option Scheme can be exercised.

(H) SUBSCRIPTION PRICE FOR SHARES

The subscription price for Shares under the 2012 Share Option Scheme shall be a price determined by the Directors, but shall not be less than the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant, which must be a trading day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of a Share. Without prejudice to the generality of the foregoing, the Directors may grant Options in respect of which the subscription price is fixed at different prices for each different period during the option period provided that the subscription price for Shares for each of the different periods shall not be less than the subscription price determined in the aforesaid manner.

(I) RANKING OF SHARES

Shares allotted upon the exercise of an Option will be subject to all the provisions of the Bye-laws and the Companies Act 1981 of Bermuda for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue as from the day when the name of the Grantee is registered on the register of members of the Company and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the date when the name of the Grantee is registered on the register of members of the Company other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with respect to a record date which shall be before the date when the name of the Grantee is registered on the register of members of the Company, provided always that when the date of exercise of the Option falls on a day upon which the register of members of the Company is closed, then the exercise of the Option shall become effective on the first business day in Hong Kong on which the register of members of the Company is re-opened. A Share allotted upon the exercise of an Option shall not carry any voting right until the completion of the registration of the Grantee as the holder thereof.

APPENDIX II PRINCIPAL TERMS OF THE 2012 SHARE OPTION SCHEME

(J) RESTRICTIONS ON THE TIME OF GRANT OF OPTIONS

No offer of grant of Options shall be made after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision until an announcement of such price sensitive information has been published in accordance with the Listing Rules. In particular, during the period commencing one month immediately preceding the earlier of (i) the date of the meeting of the Directors for the approval of the interim or annual results of the Company; and (ii) the deadline for publishing the interim or annual results of the Company under the Listing Rules, and ending on the date of the announcement of the results, no Option should be granted.

The Directors may not grant any Option to a Participant who is a Director during the periods or times in which Directors are prohibited from dealing in Shares pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company.

(K) TERM OF THE 2012 SHARE OPTION SCHEME

The 2012 Share Option Scheme shall be valid and effective for a period of 10 years commencing on the date on which the 2012 Share Option Scheme becomes unconditional.

(L) RIGHTS ON CEASING EMPLOYMENT

If a Grantee (being an Eligible Employee) ceases to be an Eligible Employee for any reason other than his or her death or for serious misconduct or other grounds referred to in sub-paragraph (N) below before exercising his or her Option in full, the Option (to the extent which has become exercisable and not already exercised) will lapse on the date of cessation and will not be exercisable unless the Directors otherwise determine in which event the Grantee may exercise the Option (to the extent which has become exercisable and not already exercised) in whole or in part within such period as the Directors may determine following the date of such cessation, which will be taken to be the last actual working day with the Company or the relevant subsidiary or the relevant Invested Entity whether salary is paid in lieu of notice or not.

(M) RIGHTS ON DEATH

If a Grantee ceases to be a Participant by reason of his or her death before exercising his or her Option in full, his or her personal representative(s) may exercise the Option (to the extent which has become exercisable and not already exercised) in whole or in part within a period of 12 months from the date of death or such longer period as the Board may determine provided that none of the events which would be a ground for termination of his or her employment under sub-paragraph (N) below arises prior to his or her death.

(N) RIGHTS ON DISMISSAL

If a Grantee (being an Eligible Employee) ceases to be an Eligible Employee by reason that he or she has been guilty of misconduct, or has committed an act of bankruptcy or has become insolvent or has made any arrangement or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty or (if so determined by the Board) on any other ground on which an employer would be entitled to terminate his or her employment at common law or pursuant to any applicable laws or under the Grantee's service contract with the Company or the relevant subsidiary or the relevant Invested Entity, his or her Option will lapse automatically on the date the Grantee ceases to be an Eligible Employee.

(O) RIGHTS ON BREACH OF CONTRACT

If the Directors at their absolute discretion determine that a Grantee (other than an Eligible Employee) or his or her associate has committed any breach of any contract entered into between the Grantee or his or her associate on the one part and the Group or any Invested Entity on the other part or that the Grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his or her creditors generally, the Directors shall determine that the outstanding Option granted to the Grantee shall lapse. In such event, his or her Option will lapse automatically and will not in any event be exercisable on or after the date on which the Directors have so determined.

(P) RIGHTS ON A GENERAL OFFER

If a general or partial offer, whether by way of take-over offer, share repurchase offer, or scheme of arrangement or otherwise in a like manner, is made to all the Shareholders, or all Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, the Company shall use all reasonable endeavors to procure that such offer is extended to all the Grantees on the same terms, *mutatis mutandis*, and assuming that they will become, by the exercise in full of the Options granted to them, Shareholders. If such offer becomes or is declared unconditional, a Grantee shall be entitled to exercise his or her Option (to the extent which has become exercisable and not already exercised) to its full extent or to the extent specified in the Grantee's notice to the Company in exercise of his or her Option at any time before the close of such offer (or any revised offer). Subject to the above, an Option will lapse automatically (to the extent not exercised) on the date on which such offer (or, as the case may be, revised offer) closes.

(Q) RIGHTS ON WINDING UP

In the event of an effective resolution being proposed for the voluntary winding-up of the Company during the option period, the Grantee may, subject to the provisions of all applicable laws, by notice in writing to the Company at any time no later than two business days prior to the date on which such resolution is passed, exercise his or her Option (to the extent which has become exercisable and not already exercised) either to its full extent or to the extent specified in such notice in accordance with the provisions of the 2012 Share Option Scheme and shall accordingly be entitled, in respect of the Shares falling to be allotted and issued upon the exercise of his or her Option, to participate in the distribution of assets of the Company available in liquidation *pari passu* with the Shares in issue on the day prior to the date of the passing of the resolution to wind-up the Company. Subject to the above, an Option will lapse automatically (to the extent not exercised) on the date of the commencement of the winding-up of the Company.

APPENDIX II PRINCIPAL TERMS OF THE 2012 SHARE OPTION SCHEME

(R) RIGHTS ON COMPROMISE OR ARRANGEMENT BETWEEN THE COMPANY AND ITS CREDITORS

In the event of a compromise or arrangement between the Company and its creditors (or any class of them) or between the Company and its members (or any class of them), in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all Grantees on the same day as it gives notice of the meeting to its members or creditors to consider such a scheme or arrangement, and thereupon any Grantee (or his or her legal representative(s)) may forthwith and until the expiry of the period commencing with such date and ending with the earlier of the date falling two calendar months thereafter or the date on which such compromise or arrangement is sanctioned by the Court be entitled to exercise his or her Option (to the extent which has become exercisable and not already exercised), but the exercise of the Option shall be conditional upon such compromise or arrangement being sanctioned by the Court and becoming effective. The Company may thereafter require such Grantee to transfer or otherwise deal with the Shares issued as a result of such exercise of his or her Option so as to place the Grantee in the same position as nearly as would have been the case had such Shares been subject to such compromise or arrangement. Subject to the above, an Option will lapse automatically on the date the proposed compromise or arrangement becomes effective.

(S) ADJUSTMENTS TO THE SUBSCRIPTION PRICE OR NUMBER OF SECURITIES

In the event of a capitalisation issue, rights issue, sub-division or consolidation of Shares or reduction of capital of the Company, such corresponding alterations (if any) certified by the auditors for the time being of, or an independent financial adviser to, the Company as fair and reasonable will be made to the number or nominal amount of Shares subject to the 2012 Share Option Scheme and any Option granted but not exercised or the subscription price for Shares provided that (i) any adjustment shall give a Grantee the same proportion of the issued share capital to which he was entitled prior to such alteration and that the aggregate subscription price payable by a Grantee on the full exercise of any Option shall remain as nearly as possible the same (but shall not be greater than) as it was before such event; (ii) no alteration shall be made the effect of which would be to enable a Share to be issued at less than its nominal value; and (iii) no such adjustment will be required in circumstances where there is an issue of Shares or other securities of the Group as consideration in a transaction. In addition, in respect of any such adjustment, other than any made on a capitalisation issue, such auditors or independent financial adviser must confirm to the Directors in writing that the adjustments satisfy the requirements of the relevant provision of the Listing Rules.

(T) CANCELLATION OF OPTIONS

Any cancellation of Options granted but not exercised shall require approval of the Board. Where the Company cancels Options and issues new ones to the same Grantee, the issue of such new Options may only be made under the 2012 Share Option Scheme with available unissued Options (excluding the cancelled Options) within the limit approved by the Shareholders as mentioned in paragraph (C).

APPENDIX II PRINCIPAL TERMS OF THE 2012 SHARE OPTION SCHEME

(U) TERMINATION OF THE 2012 SHARE OPTION SCHEME

The Company may by resolution in general meeting, or the Board may at any time, terminate the 2012 Share Option Scheme and in such event, no further Options shall be offered but in all other respects, the provisions of the 2012 Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any Option (to the extent not already exercised) granted prior to the termination or otherwise as may be required in accordance with the provision of the 2012 Share Option Scheme. Options (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with the 2012 Share Option Scheme.

(V) RIGHTS ARE PERSONAL TO THE GRANTEE

An Option is personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any Option. Any breach of the foregoing shall entitle the Company to cancel any outstanding Option or part thereof granted to such Grantee.

(W) LAPSE OF OPTION

An Option shall lapse automatically (to the extent not already exercised) on the earliest of:

- (aa) the expiry of the period referred to in paragraph (F);
- (bb) the expiry of the periods or dates referred to in paragraphs (L), (M), (N), (O), (P), (Q) and (R); and
- (cc) the date on which a breach of the restriction on transfer and assignment of an Option referred to in paragraph (V) is committed.

(X) OTHERS

- (aa) The terms and conditions of the 2012 Share Option Scheme relating to the matters set out in Rule 17.03 of the Listing Rules shall not be altered to the advantage of the Grantees except with the approval of the Shareholders in general meeting.
- (bb) Any alteration to the terms and conditions of the 2012 Share Option Scheme which is of a material nature or any change to the terms of Options granted but not exercised must be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the 2012 Share Option Scheme.
- (cc) The amended terms of the 2012 Share Option Scheme or the Options must still comply with the relevant requirements of Chapter 17 of the Listing Rules.
- (dd) Any change to the authority of the Directors or the scheme administrators in relation to any alteration of the terms of the 2012 Share Option Scheme shall be approved by the Shareholders in general meeting.

NOTICE OF ANNUAL GENERAL MEETING



ALLAN INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 684)

NOTICE IS HEREBY GIVEN that the annual general meeting of Allan International Holdings Limited (the “**Company**”) will be held at World Trade Centre Club Hong Kong, 38th Floor, World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong on 8 August 2012 at 3:45 p.m. for the purpose of transacting the following ordinary business:

1. To receive and consider the audited financial statements and the reports of the directors and auditors for the year ended 31 March 2012;
2. To declare a final dividend of HK12.5 cents per share for the year ended 31 March 2012;
3.
 - (a) To re-elect Ms. Cheung Lai Chun, Maggie as an executive director of the Company;
 - (b) To re-elect Professor Lo Chung Mau as an independent non-executive director of the Company;
 - (c) To authorise the board of directors of the Company to fix the remuneration of the directors;
4.
 - (a) To re-appoint auditors;
 - (b) To authorise the board of directors of the Company to fix the remuneration of the auditors;

and, as special business, to consider and, if thought fit, pass, with or without modifications, the following resolutions as ordinary resolutions of the Company:

5. “**THAT:**
 - (a) subject to paragraph (c) below, the exercise by the directors of the Company (“**Directors**”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and otherwise deal with additional shares of the Company (“**Shares**”) or securities convertible into Shares, or options, warrants or similar rights to subscribe for any Shares, and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the approval given in paragraph (a) of this resolution shall be in addition to any other authorisation given to the Directors and shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of the 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) of this resolution, otherwise than pursuant to:
 - (i) a Rights Issue (as hereinafter defined);
 - (ii) the exercise of rights of subscription or conversion under terms of any warrants issued by the Company or any securities which are convertible into Shares;
 - (iii) the exercise of any option granted under any share option scheme or similar arrangement for the time being adopted by the Company; or
 - (iv) any scrip dividend or similar arrangements providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the bye-laws of the Company;

shall not exceed:

- (A) in the case of an allotment and issue of Shares for cash, 5% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this resolution; and
- (B) in the case of an allotment and issue of Shares other than for cash, 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this resolution (less Shares (if any) issued pursuant to the general mandate granted pursuant to subparagraph (A) of this resolution);

provided that, in any event, any Shares to be allotted and issued by the Directors pursuant to the approval granted under this resolution shall not be issued at a discount of 5% or more to the Benchmarked Price (as hereinafter defined) of the Shares, and the said approval shall be limited accordingly; and

- (d) for the purpose of this resolution:

“**Benchmarked Price**” shall be a price which is the higher of:

- (i) the closing price of the Shares as stated in the daily quotations sheet of The Stock Exchange of Hong Kong Limited on the date of signing of the agreement to which the transaction relates; or

NOTICE OF ANNUAL GENERAL MEETING

- (ii) the average closing price of the Shares as stated in the daily quotations sheets of The Stock Exchange of Hong Kong Limited for the five trading days immediately preceding the earliest of:
 - (A) the date of signing of the agreement to which the transaction relates;
 - (B) the date on which the relevant transaction is announced; or
 - (C) the date on which the price of the Shares to be issued pursuant to the transaction is fixed;

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the bye-laws of the Company to be held; or
- (iii) the revocation or variation of the authority given under this resolution by ordinary resolution of the shareholders of the Company in general meeting; and

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

6. “**THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors of the Company (“**Directors**”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of the Company (“**Shares**”) on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) or on any other stock exchange on which the Shares may be listed and recognised for this purpose by the Securities and Futures Commission and the Stock Exchange under the Hong Kong Code on Share Repurchases, and subject to and in accordance with all applicable laws and the Rules Governing the Listing of Securities on the Stock Exchange, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares which may be repurchased pursuant to the approval in paragraph (a) of this resolution shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this resolution and the said approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

- (c) for the purpose of this resolution, “**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the bye-laws of the Company to be held; or
 - (iii) the revocation or variation of the authority given under this resolution by ordinary resolution of the shareholders of the Company in general meeting.”
7. “**THAT** conditional upon the passing of resolutions numbered 5 and 6 set out in the notice convening this meeting, the general mandate granted to the directors of the Company (“**Directors**”) to exercise the powers of the Company to allot, issue and otherwise deal with shares of the Company pursuant to resolution numbered 5 above be and is hereby extended by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted by the Directors pursuant to such general mandate an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to resolution numbered 6 above, provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this resolution.”
8. “**THAT** conditional on the Listing Committee of The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) granting listing of, and permission to deal in, the shares which may fall be allotted and issued by the Company (“**Shares**”) upon exercise of the subscription rights attaching to the options that may be granted under the share option scheme (a copy of which is produced to the meeting marked “A” and signed by the chairman of the meeting for the purpose of identification) (“**2012 Share Option Scheme**”), the 2012 Share Option Scheme be and is hereby approved and adopted by the Company and the existing share option scheme adopted by the Company on 20 August 2002 be terminated with effect from the date the 2012 Share Option Scheme becomes unconditional and effective, and the directors of the Company (“**Directors**”) be and are hereby authorised to allot and issue Shares pursuant to the exercise of any options which may be granted under the 2012 Share Option Scheme, and that to the extent permissible under the bye-laws of the Company, the Rules Governing the Listing of Securities on the Stock Exchange and the rules of the 2012 Share Option Scheme, the Directors may vote in respect of any resolution under or affecting the 2012 Share Option Scheme (including the granting of options thereunder or approving the allotment and issue of Shares upon exercise of options thereunder) notwithstanding any interest of any Director.”

By order of the Board
Cheung Lai See, Sophie
Director

Hong Kong, 9 July 2012

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. A shareholder entitled to attend and vote at the above meeting may appoint one or more than one proxy to attend and to vote in his stead. A proxy need not be a shareholder of the Company.
2. Where there are joint registered holders of any share of the Company, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
3. In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof must be delivered to the office of the branch share registrar of the Company in Hong Kong, Tricor Standard Limited at 26/F., 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.
4. All voting by the members at the meeting shall be conducted by way of poll.