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

If you have sold or transferred all your shares in **Deson Development International Holdings Limited**, you should at once hand this circular together with the enclosed form of proxy, to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for transmission to the purchaser or the transferee.

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DESON DEVELOPMENT INTERNATIONAL HOLDINGS LIMITED

迪臣發展國際集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 262)

**PROPOSED GENERAL MANDATES
TO ISSUE AND REPURCHASE SHARES
AND
RE-ELECTION OF RETIRING DIRECTORS**

A notice convening the annual general meeting of the Company to be held at 10:30 a.m. on Tuesday, 9 August 2011 at 11th Floor, Nanyang Plaza, 57 Hung To Road, Kwun Tong, Kowloon, Hong Kong is set out in Appendix III of this circular.

Whether or not you are able to attend the AGM, you are requested to complete and return the enclosed form of proxy to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting at the AGM or any adjourned meeting should you so wish.

* *For identification only*

CONTENT

	<i>Page</i>
Definitions	1
 Letter from the Board	
1. Introduction	3
2. General Mandate to Issue Shares	4
3. General Mandate to Repurchase Shares	4
4. Proposed Re-election of Retiring Directors	5
5. AGM	6
6. Recommendation	6
7. Responsibility Statement	6
 Appendix I – Explanatory Statement	 7
Appendix II – Biographies of Directors	11
Appendix III – Notice of Annual General Meeting	14

DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at 10:30 a.m. on Tuesday, 9 August 2011 at 11th Floor, Nanyang Plaza, 57 Hung To Road, Kwun Tong, Kowloon, Hong Kong, or any adjournment thereof;
“Board”	the board of Directors or a duly authorised committee of the board of Directors;
“Business Day”	a day upon which the Stock Exchange is open for securities trading;
“Bye-Laws”	the bye-laws of the Company (as amended from time to time);
“Company”	Deson Development International Holdings Limited, an exempted company incorporated in Bermuda with limited liability and the shares of which are listed on the main board of the Stock Exchange;
“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“HK\$”	HK dollars, the lawful currency in Hong Kong;
“Issue Mandate”	the general and unconditional mandate proposed to be granted to the Directors at the AGM to exercise all the power to allot, issue and otherwise deal with Shares with an aggregate nominal amount not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of the resolution granting such mandate;
“Latest Practicable Date”	Monday, 4 July 2011, being the latest practicable date for ascertaining certain information included in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China;

DEFINITIONS

“Repurchase Mandate”	the general and unconditional mandate proposed to be granted to the Directors at the AGM to repurchase Shares on the Stock Exchange with an aggregate nominal amount up to 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of the resolution granting such mandate;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	Share(s) in the capital of the Company;
“Shareholders”	holders of Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers.

LETTER FROM THE BOARD



DESON DEVELOPMENT INTERNATIONAL HOLDINGS LIMITED

迪臣發展國際集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 262)

Executive Directors:

Mr. Wang Ke Duan (*Chairman*)
Mr. Tjia Boen Sien
(*Managing Director & Deputy Chairman*)
Mr. Wang Jing Ning
Mr. Keung Kwok Cheung

Independent non-executive Directors:

Dr. Ho Chung Tai, Raymond
Mr. Siu Man Po
Mr. Wong Shing Kay, Oliver

Registered Office:

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

Principal Place of Business:

11th Floor, Nanyang Plaza
57 Hung To Road, Kwun Tong
Kowloon
Hong Kong

8 July 2011

To the Shareholders

Dear Sirs,

**PROPOSED GENERAL MANDATES
TO ISSUE AND REPURCHASE SHARES
AND
RE-ELECTION OF RETIRING DIRECTORS**

1. INTRODUCTION

The purpose of this circular is to provide you with information on the above matters which include, inter alia, (i) the grant of the Issue Mandate and Repurchase Mandate; and the renewal of a general mandate enabling the Directors to issue and allot Shares representing the aggregate nominal amount of the Shares repurchased by the Company under the Repurchase Mandate and (ii) the re-election of retiring Directors.

* *For identification only*

LETTER FROM THE BOARD

2. GENERAL MANDATE TO ISSUE SHARES

At the annual general meeting of the Company held on 12 August 2010, a general mandate was given by the Shareholders to the Directors to exercise the powers of the Company to allot, issue and deal with Shares. Such mandate will lapse on the earliest of: (i) the conclusion of the forthcoming annual general meeting of the Company; (ii) the expiration of the period within which the forthcoming annual general meeting of the Company is required by the Bye-Laws or any applicable laws of Bermuda to be held; and (iii) the revocation or variation of the authority by an ordinary resolution of the Shareholders in general meeting. In order to ensure that the flexibility and discretion be given to the Directors in the event that it becomes desirable to allot, issue and deal with Shares of the Company, approval is being sought from the Shareholders for the granting of the Issue Mandate to the Directors to allot, issue and deal with Shares up to a maximum of 20 per cent. of the total nominal amount of the share capital of the Company in issue as at the date of the passing of the ordinary resolution set out as resolution numbered 6(A) in the notice convening the AGM and adding to such general mandate any Shares representing the aggregate nominal amount of the Shares repurchased by the Company under the Repurchase Mandate. If the resolution is passed and no Share is repurchased by the Company, exercise in full of the Issue Mandate (on the basis of 564,873,017 Shares in issue at the Latest Practicable Date) would result in up to 112,974,603 new Shares being allotted, issued and dealt with by the Company. The authority granted under the Issue Mandate to the Directors will be valid until the conclusion of the next annual general meeting of the Company, or the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws or any applicable law to be held or the date on which the authority given under the Issue Mandate is revoked or varied by an ordinary resolution of the Shareholders in general meeting (whichever is the earlier).

3. GENERAL MANDATE TO REPURCHASE SHARES

At the annual general meeting of the Company held on 12 August 2010, a general mandate was given by the Shareholders to the Directors to exercise the powers of the Company to repurchase Shares. Such mandate will lapse on the earliest of: (i) the conclusion of the forthcoming annual general meeting of the Company; (ii) the expiration of the period within which the forthcoming annual general meeting of the Company is required by the Bye-Laws or any applicable laws of Bermuda to be held; and (iii) the revocation or variation of the authority by an ordinary resolution of the Shareholders in general meeting. A resolution to grant the Directors the Repurchase Mandate will be proposed at the AGM to enable the Directors to exercise the powers of the Company to repurchase its own issued and fully paid Shares up to a maximum of 10 per cent. of the share capital of the Company in issue as at the date of the passing of the ordinary resolution set out as resolution numbered 6(B) in the notice convening the AGM. The authority granted under the Repurchase Mandate to the Directors will be valid until the conclusion of the next annual general meeting of the Company, or the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws or any applicable law to be held or the date on which the authority given under the Repurchase Mandate is revoked or varied by an ordinary resolution of the Shareholders in general meeting

LETTER FROM THE BOARD

(whichever is the earlier). The notice convening the AGM is set out in Appendix III to this circular. The Company at present has no immediate plan to exercise the Repurchase Mandate.

An explanatory statement as required by the Listing Rules to provide the requisite information on the Repurchase Mandate is set out in Appendix I to this circular.

4. PROPOSED RE-ELECTION OF RETIRING DIRECTORS

The Company has stated in the annual report of the Company for the year ended 31 March 2011 that the Directors retiring by rotation but who are willing to put themselves up for re-election at the AGM shall be Mr. Wang Jing Ning (executive Director), Mr. Keung Kwok Cheung (executive Director) and Dr. Raymond Ho Chung Tai (independent non-executive Director). Relevant details of each of the Directors proposed to be re-elected at the AGM are set out in Appendix II to this circular.

Bye-Law 89 of the Bye-Laws provides that no person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director, signed by a Shareholder (other than the person to be proposed for election as a Director) duly qualified to attend and vote at the meeting for which such notice is given, and a notice in writing signed by that person of his willingness to be elected shall have been lodged to the Company. The minimum length of the period during which such notices are given shall be at least seven days and the period for lodgment of such notices shall commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such meeting.

Accordingly, if a Shareholder wishes to nominate a person to stand for election as a Director at the AGM, notice of his intention to propose such person for election as a Director and the notice executed by the nominee of his willingness to be elected must be validly served at the principal place of business of the Company at 11th Floor, Nanyang Plaza, 57 Hung To Road, Kwun Tong, Kowloon, Hong Kong on or before 10:30 a.m. of 2 August 2011.

If a valid notice from a Shareholder to propose a person to stand for election as a Director at the AGM is received after the publication of the notice of the AGM, the Company will publish an announcement to inform Shareholders of the biographical details of the additional candidate proposed.

Details of the biographies of each of the Directors who have offered themselves for re-election are set out in Appendix II to this circular.

LETTER FROM THE BOARD

5. AGM

A notice of the AGM is set out in Appendix III to this circular. A form of proxy for the AGM is also enclosed. Whether or not you are able to attend the AGM, you are requested to complete and return the enclosed form of proxy to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting at the AGM or any adjourned meeting should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll.

6. RECOMMENDATION

The Directors consider that the proposed resolutions for approving the grant of the Issue Mandate and the Repurchase Mandate, and to add the aggregate nominal amount of Shares which have been repurchased to the aggregate nominal amount of the Shares that may be allotted pursuant to the Issue Mandate and the proposed re-election of retiring Directors are each in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends all Shareholders to vote in favour of all the resolutions to be proposed at the AGM.

7. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

By Order of the Board
Tjia Boen Sien
Managing Director and Deputy Chairman

The Listing Rules permit companies with primary listing on the Stock Exchange to repurchase their fully paid-up Shares on the Stock Exchange subject to certain restrictions.

The following is the explanatory statement required to be sent to the Shareholders under the Listing Rules to enable them to make an informed decision on whether to vote for or against the ordinary resolution in relation to the grant of the Repurchase Mandate.

1. REASONS FOR REPURCHASE MANDATE

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

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 564,873,017 Shares of HK\$0.10 each.

Subject to the passing of the resolution approving the Repurchase Mandate, and assuming no Shares will be issued or repurchased by the Company during the period between the Latest Practicable Date and the date of the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 56,487,301 Shares.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association and Bye-Laws and the applicable laws of Bermuda. Bermuda law provides that the amount of capital repaid in connection with a share repurchase may only be paid out of the capital paid up on the relevant Shares, or out of funds of the Company otherwise available for dividend or distribution or the proceeds of a new issue of Shares made for such purpose. The amount of premium payable on repurchase may only be paid out of either the funds of the Company otherwise available for dividend or distribution or out of the share premium or contributed surplus accounts of the Company.

If the Repurchase Mandate were exercised in full, there might be a material adverse effect on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements contained in the annual report of the Company for the year ended 31 March 2011). However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing levels of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

4. DIRECTORS DEALINGS AND CONNECTED PERSONS

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

No connected persons of the Company (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company or its subsidiaries or have undertaken not to do so in the event that the Repurchase Mandate is approved by the Shareholders.

5. SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous twelve months prior to the Latest Practicable Date were as follows:-

	Trading price per Share	
	Highest HK\$	Lowest HK\$
2010		
July	0.56	0.50
August	0.57	0.50
September	0.65	0.52
October	0.67	0.59
November	0.68	0.60
December	0.94	0.66
2011		
January	0.71	0.63
February	0.69	0.63
March	0.72	0.61
April	0.67	0.62
May	0.70	0.60
June	0.66	0.61
July up to the Latest Practicable Date	0.64	0.63

6. SHARE REPURCHASES MADE BY THE COMPANY

During the six months preceding the Latest Practicable Date, the Company made the following repurchases of existing Shares on the Stock Exchange:

Date	Number of Existing Shares	Purchase Price Per Share		Aggregate Consideration (HK\$)
		Highest (HK\$)	Lowest (HK\$)	
January 2011	505,000	0.70	0.65	341,700.00
February 2011	155,000	0.67	0.63	101,750.00
March 2011	<u>250,000</u>	0.66	0.61	<u>158,500.00</u>
Total	<u>910,000</u>			<u>601,950.00</u>

Save as disclosed herein, the Company had not repurchased any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

7. DIRECTORS' UNDERTAKING

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

8. HONG KONG CODE ON TAKEOVERS AND MERGERS

If, on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (as defined under the Takeovers Code) could, depending on the level of increase of the Shareholder's interest, 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, Sparta Assets Limited ("Sparta Assets"), which was wholly owned by Mr. Tjia Boen Sien ("Mr. Tjia"), our Managing Director, was interested in 226,250,000 Shares representing approximately 40.05% of the issued share capital in the Company as at the Latest Practicable Date, and Mr. Tjia also had personal interest in 45,544,400 Shares, representing approximately 8.07% of the issued share capital in the Company as at the Latest Practicable Date.

In the event that the Repurchase Mandate was exercised in full by the Company, the aggregate percentage shareholding of Sparta Assets and Mr. Tjia in the Company would increase from approximately 48.12% to approximately 53.47%. Such increase would require Sparta Assets and Mr. Tjia to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors have no intention to exercise the Repurchase Mandate to repurchase Shares to such an extent that would give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code.

The following are the biographies of each of the retiring Directors proposed to be re-elected at the AGM:

WANG Jing Ning (“Mr. Wang”), aged 55, is an executive Director of the Group. Mr. Wang has over 31 years’ experience in hotel management and construction engineering in Mainland China and Hong Kong. He is responsible for managing the Group’s projects in Mainland China.

As at the Latest Practicable Date, Mr. Wang was interested in 14,839,600 Shares representing approximately 2.63% of the existing issued share capital of the Company. Save as disclosed, Mr. Wang does not have any relationship with any other Directors, senior management, substantial or controlling Shareholders (as defined in the Listing Rules) of the Company or any other interest in the Shares within the meaning of Part XV of the SFO.

As at the Latest Practicable Date, no service contract had been entered into between the Company and Mr. Wang. No term has been fixed or proposed for his length of service with the Company. Mr. Wang will be subject to retirement by rotation at least once every three years. Mr. Wang will be entitled to an annual salary of HK\$600,000 which is determined by the Board with reference to his duties and responsibilities with the Company and an annual discretionary bonus of such an amount to be determined by the Board from time to time with reference to the financial results of the Company and on his performance. Save as disclosed above, Mr. Wang is not entitled to any other emoluments.

Save as disclosed, Mr. Wang did not have any other directorship held in listed public companies in the last three years.

KEUNG Kwok Cheung (“Mr. Keung”), aged 53, is an executive Director of the Group and is in charge of the Group’s engineering and contracts departments. He has over 29 years’ experience in the fields of civil, structural and building engineering and in the management of large-scale projects. He also holds an Associateship in Civil and Structural Engineering from the Hong Kong Polytechnic University and a Master degree in Business Administration. He is a fellow member of the Hong Kong Institute of Directors. He is also a member of the China Civil Engineering Society, the People’s Republic of China.

As at the Latest Practicable Date, Mr. Keung was interested in 520,000 Shares representing approximately 0.09% of the existing issued share capital of the Company. Save as disclosed above, Mr. Keung does not have any relationship with any other Directors, senior management, substantial or controlling Shareholders (as defined in the Listing Rules) of the Company or any other interest in the Shares within the meaning of SFO.

As at the Latest Practicable Date, no service contract had been entered into between the Company and Mr. Keung. No term has been fixed or proposed for his length of service with the Company. Mr. Keung will be subject to retirement by rotation at least once every three years. Mr. Keung will be entitled to an annual salary of HK\$960,000 which is determined by the Board with reference to his duties and responsibilities with the Company and an annual discretionary bonus of such an amount to be determined by the Board from time to time with reference to the financial results of the Company and on his performance. Save as disclosed above, Mr. Keung is not entitled to any other emoluments.

Save as disclosed, Mr. Keung did not have any other directorship held in listed public companies in the last three years.

Dr. Raymond HO Chung-Tai, (“Dr. Ho”) SBS, MBE, S.B. St. J., JP, aged 72, is an independent non-executive Director of the Group. Dr. Ho is currently a member of the fourth Legislative Council (Engineering Functional Constituency). Dr. Ho has 48 years’ experience in the fields of civil, structural environmental and geotechnical engineering and project management including 38 years in Hong Kong and 10 years in the United Kingdom, with direct responsibility in major projects of tunnels, bridges, flyovers, roads, dockyards, jetties, hospitals, hotels, incinerators, high-rise commercial / residential buildings, geotechnical work, environmental studies and projects as well as project management. Dr. Ho holds a doctorate degree in civil engineering from the City University of London, United Kingdom, Honorary Doctor of Business Administration from the City University of Hong Kong, Honorary Doctor of Laws from University of Manchester, United Kingdom, a postgraduate diploma in geotechnical engineering from Manchester University, United Kingdom and a bachelor degree in civil engineering from the University of Hong Kong. Dr. Ho was formerly a partner and senior director of Maunsell Consultants Asia Limited from January 1976 to August 1993. Dr. Ho was formerly Hong Kong Deputy to the tenth National People’s Congress of the PRC, President of the Hong Kong Institution of Engineers (1987/1988), Council Chairman of the City University of Hong Kong, Council Chairman of the former City Polytechnic of Hong Kong, Chairman of Hong Kong Technology Committee of the Industry & Technology Development Council (ITDC) and member of ITDC, member of the first, second and third Legislative Council (Engineering Functional Constituency), member of the Provisional Legislative Council, Chairman of the Transport Advisory Committee, Hong Kong Affairs Adviser, member of Consultative Committee on the New Airport and Related Projects, and member of the Gas Safety Advisory Committee. Dr. Ho is currently Hong Kong Deputy to the eleventh National People’s Congress of the PRC, Chairman of Guangdong Daya Bay Nuclear Plant and LingAo Nuclear Plant Safety Consultative Committee, Chairman of Hong Kong Trade Development Council Infrastructure Development Advisory Committee and board member of the Hong Kong Airport Authority.

As at the Latest Practicable Date, Dr. Ho was interested in 500,000 Shares representing approximately 0.09% of the existing issued capital of the Company. Save as disclosed, Dr. Ho does not have any relationship with any other Directors, senior management, substantial or controlling Shareholders (as defined in the Listing Rules) of the Company or any other interest in the Shares within the meaning of Part XV of SFO.

As at the Latest Practicable Date, no service contract had been entered into between the Company and Dr. Ho. No term has been fixed or proposed for his length of service with the Company. Dr. Ho will be subject to retirement by rotation at least once every three years. Dr. Ho will be entitled to an annual salary of HK\$120,000 which is determined by the Board with reference to his duties and responsibilities with the Company and an annual discretionary bonus of such an amount to be determined by the Board from time to time with reference to the financial results of the Company and on his performance. Save as disclosed above, Dr. Ho is not entitled to any other emoluments.

Dr. Ho has been an independent non-executive director of the following other listed public companies in the last three years:

- (a) China State Construction International Holdings Limited (Stock Code: 3311)
- (b) GCL-Poly Energy Holdings Limited (Stock Code: 3800)

Save as disclosed above, there is no other matter in relation to the re-election of the above Directors that needs to be brought to the attention of the Shareholders or any information that is required to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules.

**DESON DEVELOPMENT INTERNATIONAL HOLDINGS LIMITED****迪臣發展國際集團有限公司****(Incorporated in Bermuda with limited liability)***(Stock Code: 262)**

NOTICE IS HEREBY GIVEN that an annual general meeting (“AGM”) of Deson Development International Holdings Limited (the “Company”) will be held at 10:30 a.m. on Tuesday, 9 August 2011 at 11th Floor, Nanyang Plaza, 57 Hung To Road, Kwun Tong, Kowloon, Hong Kong for the following purposes:

- (1) To receive, consider and adopt the audited consolidated financial statements and the reports of directors and auditors of the Company for the year ended 31 March 2011;
- (2) To approve the payment of a final dividend (with scrip option) for the year ended 31 March 2011;
- (3) To re-elect directors of the Company;
- (4) To authorize the board of directors of the Company to fix the remuneration of the directors;
- (5) To re-appoint auditors of the Company and to authorize the board of directors of the Company to fix their remuneration
- (6) As special business, to consider and, if thought fit, to pass, with or without modification, the following resolutions as ordinary resolutions:
 - (A) **“THAT:**
 - (a) subject to paragraph (c) of this resolution, the exercise by the directors of the Company during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue or deal with additional shares in the share capital of the Company or securities convertible into such shares or options, warrants or similar rights to subscribe for any such shares or such convertible securities and to make or grant offers, agreements and options which might require the exercise of such powers, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;

* For identification only

- (b) the approval in paragraph (a) of this resolution shall authorize the directors of the Company during the Relevant Period (as defined in paragraph (d) below) to make or grant offers, agreements and options which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital to be allotted and issued or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the directors of the Company pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (d) below), (ii) the exercise of the subscription rights or conversion under the terms or any warrants issued by the Company or any securities which are convertible into shares of the Company and from time to time outstanding, (iii) the exercise of any options granted under the share option scheme or similar arrangement for the time being adopted for the grant or issue to (amongst others) officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company, or (iv) any scrip dividend or similar arrangement providing for the allotment of shares of the Company in lieu of the whole or part of a dividend on shares of the Company in accordance with the bye-laws of the Company in force from time to time, shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution and the said approval shall be limited accordingly; and
- (d) for the purpose of this resolution:

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

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

“**Rights Issue**” means an offer of shares of the Company open for a period fixed by the directors of the Company to holders of shares of the Company on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (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 the requirements of any recognized regulatory body or stock exchange in any territory outside Hong Kong applicable to the Company).”

(B) **“THAT:**

- (a) subject to paragraph (b) of this resolution, the exercise by the directors of the Company during the Relevant Period (as defined in paragraph (c) below) of all the powers of the Company to purchase its own shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other exchange on which the securities of the Company may be listed and recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose (“Recognised Stock Exchange”), subject to and in accordance with all applicable laws and regulations of Bermuda, the bye-laws of the Company and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or any other applicable requirements of any Recognised Stock Exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares which the Company may be purchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period (as defined in paragraph (c) below) shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution and the said approval shall be limited accordingly; and
- (c) for the purposes of this resolution:

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

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

(C) “THAT

subject to the passing of the resolutions set out in items 6(A) and 6(B) in the notice convening this meeting, the aggregate nominal amount of the share capital of the Company which has been purchased by the Company pursuant to the authority granted to the directors of the Company pursuant to the resolution set out in item 6(B) of the said notice shall be added to the aggregate nominal amount of share capital of the Company that may be allotted, issued and dealt with by the directors of the Company pursuant to the resolution set out in item 6(A) of the said notice, provided that such amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution.”

(7) To determine the minimum and maximum numbers of Directors.

By Order of the Board

Tjia Boen Sien

Managing Director and Deputy Chairman

Hong Kong, 8 July 2011

Notes:

1. A shareholder entitled to attend and vote at the meeting is entitled to appoint one or more proxies. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is appointed. A proxy need not be a shareholder of the Company.
2. In order to be valid, the proxy form together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority must be deposited at the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjourned meeting thereof.
3. The Register of Members will be closed from 16 August 2011 to 18 August 2011, both days inclusive, during which period no transfer of shares will be affected. In order to qualify for the proposed final dividend (with scrip option), all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:30 p.m. on 15 August 2011.
4. As at the date of this circular, the executive directors of the Company are Mr. Wang Ke Duan, Mr. Tjia Boen Sien, Mr. Wang Jing Ning and Mr. Keung Kwok Cheung, the independent non-executive directors of the Company are Dr. Ho Chung Tai, Raymond, Mr. Siu Man Po and Mr. Wong Shing Kay, Oliver.