

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

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SUN HING VISION GROUP HOLDINGS LIMITED
新興光學集團控股有限公司

SUN HING VISION GROUP HOLDINGS LIMITED

新興光學集團控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 125)

**GENERAL MANDATES TO ISSUE NEW SHARES AND TO
REPURCHASE SHARES,
RE-ELECTION OF DIRECTORS,
PROPOSED TERMINATION OF
THE EXISTING SHARE OPTION SCHEME AND
ADOPTION OF THE NEW SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of Sun Hing Vision Group Holdings Limited to be held at Jasmine Room, The Royal Garden, 69 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Friday, 22 August 2014 at 10:00 a.m. (or any adjournment thereof) is set out on pages 22 to 26 of this circular. Whether or not you intend to attend the meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time for holding the meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting at the annual general meeting or any adjourned meeting should you so wish.

* For identification purposes only

Hong Kong, 21 July 2014

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DEFINITIONS

“Annual General Meeting”	annual general meeting of the Company to be held at 10:00 a.m. on Friday, 22 August 2014, notice of which is set out on pages 22 to 26 of this circular
“associates”	as defined in the Listing Rules
“Board”	board of Directors (or a duly authorised committee thereof)
“Bye-laws”	bye-laws of the Company
“close associates”	as defined in the Listing Rules
“Committee”	the Board or a duly authorized committee of the Board, including two of the independent non-executive Directors, which is delegated with the power of the Directors to administer the New Share Option Scheme
“Company”	Sun Hing Vision Group Holdings Limited, a company incorporated in Bermuda with limited liability, the securities of which are listed on the main board of the Stock Exchange
“Connected Person(s)”	as defined in the Listing Rules
“Core Connected Person(s)”	as defined in the Listing Rules
“Directors”	directors of the Company
“Eligible Person”	any person in full time employment of the Company or any of its subsidiaries who are eligible to participate in the New Share Option Scheme
“Existing Share Option Scheme”	the existing share option scheme of the Company adopted on 6 September 2004
“Grantee”	any Eligible Persons who accepts a grant of Options in accordance with the terms of the New Share Option Scheme or (where the context so permits) any person who is entitled to any Option in consequence of the death of the original Grantee (including without limitation his/her personal representatives)
“Group”	the Company and its subsidiaries

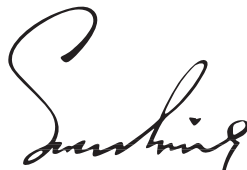
DEFINITIONS

“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	17 July 2014, being the latest practicable date prior to the printing of this circular for ascertaining certain information included herein
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“New Share Option Scheme”	the new share option scheme proposed to be adopted by the Company at the Annual General Meeting, a summary of the principal terms of which is set out in the section headed “Summary of the Principal Terms of the New Share Option Scheme” to this circular
“Option(s)”	option(s) to subscribe for Share(s) pursuant to the New Share Option Scheme and for the time being subsisting
“Option Period”	the period within which Options may be exercised, which shall not be earlier than the date on which the New Share Option Scheme is adopted nor later than 10 years from the date of grant of the Option
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted at the Annual General Meeting to the Directors to exercise all the powers of the Company to repurchase Shares
“Rules of the New Share Option Scheme”	the rules of the New Share Option Scheme
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Issue Mandate”	a general and unconditional mandate proposed to be granted at the Annual General Meeting to the Directors to exercise all the powers of the Company to issue, allot and otherwise deal with new Shares
“Shareholders”	holders of Shares
“Shares”	ordinary shares of HK\$0.10 each in the capital of the Company

DEFINITIONS

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholder”	any person who is entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of the Company
“Takeovers Code”	Code on Takeovers and Mergers
“HK\$” and “cents”	Hong Kong dollars and cents respectively
“%”	per cent.

LETTER FROM THE BOARD



SUN HING VISION GROUP HOLDINGS LIMITED
新興光學集團控股有限公司

SUN HING VISION GROUP HOLDINGS LIMITED

新興光學集團控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 125)

Executive Directors:

Ku Ngai Yung, Otis (*Chairman*)

Ku Ka Yung (*Deputy Chairman*)

Tsang Wing Leung, Jimson

Chan Chi Sun

Ma Sau Ching

Principal office:

1001C, 10th Floor

Sunbeam Centre

27 Shing Yip Street

Kwun Tong

Kowloon

Hong Kong

Independent Non-executive Directors:

Lo Wa Kei, Roy

Lee Kwong Yiu

Wong Che Man, Eddy

Registered office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

21 July 2014

To the shareholders of the Company

Dear Sir / Madam,

**GENERAL MANDATES TO ISSUE NEW SHARES AND
TO REPURCHASE SHARES,
RE-ELECTION OF DIRECTORS,
PROPOSED TERMINATION OF
THE EXISTING SHARE OPTION SCHEME AND
ADOPTION OF THE NEW SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information reasonably necessary to enable you to make a decision on whether to vote for or against the ordinary resolutions to be proposed at the Annual General Meeting which will be convened for the purpose of considering and if thought fit, approving, inter alia:

- (a) the grant of the Share Issue Mandate and Repurchase Mandate to the Directors to issue new Shares and repurchase Shares;

* For identification purposes only

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- (b) extension of the Share Issue Mandate;
- (c) re-election of Directors; and
- (d) termination of the Existing Share Option Scheme and adoption of the New Share Option Scheme.

A notice of the Annual General Meeting is set out on pages 22 to 26 of this circular.

SHARE ISSUE MANDATE AND REPURCHASE MANDATE

At the last annual general meeting of the Company held on 23 August 2013, the Directors were granted a general mandate to allot and issue Shares and a general mandate to repurchase Shares. These mandates will expire at the conclusion of the Annual General Meeting. The Directors propose to seek the approval of the Shareholders at the Annual General Meeting by way of passing ordinary resolutions for the granting of:

- (a) the Share Issue Mandate to issue Shares up to a maximum of 26,277,828 Shares representing 10% of the Shares in issue as at the date of passing of the relevant resolution; and
- (b) the Repurchase Mandate to repurchase Shares up to a maximum of 26,277,828 Shares representing 10% of the Shares and in issue as at the date of passing of the relevant resolution.

According to Rule 13.36(2)(b) of the Listing Rules, the Directors may seek the approval of the Shareholders in general meeting a general mandate to issue Shares not exceeding the aggregate of 20% of the existing issued share capital of the Company as at the date of passing the resolution. The Directors, however, consider that the Company shall require only up to a maximum of 10% of the Shares in issue and therefore the Directors only propose to seek approval of the Shareholders to grant the Share Issue Mandate to such extent in the Annual General Meeting.

Whilst the Directors do not presently intend to allot and issue any Shares nor repurchase any Shares, they believe that the flexibility afforded by the Share Issue Mandate and the Repurchase Mandate, if the ordinary resolution granting it is passed, would be beneficial to the Company.

As at the Latest Practicable Date for determining such figures, the number of the issued shares of the Company was 262,778,286 Shares. Subject to the passing of the ordinary resolution approving the Repurchase Mandate and on the basis that no further Shares are issued or repurchased after the Latest Practicable Date and up to the date of passing of such resolution, the Directors would be authorised to repurchase up to 26,277,828 Shares representing 10% of the issued share capital during the period up to the next annual general meeting in 2015 or the expiration of the period within which the next annual general meeting of the Company is required by law to be held or the revocation or variation of the Repurchase Mandate by an ordinary resolution of the Shareholders in

LETTER FROM THE BOARD

general meeting of the Company, whichever occurs first. Depending on the shareholding structure of the Company at the time when the Repurchase Mandate is exercised, it is possible that the exercise of the Repurchase Mandate fully (or almost fully) would reduce the level of public float to less than 25% of the issued share capital of the Company. However, the Directors have no intention to exercise the Repurchase Mandate to the extent that would result in the level of public float to less than the minimum public float requirements as prescribed under the Listing Rules.

Extension of the Share Issue Mandate

A resolution as set out in resolution no. 8C of the notice of the Annual General Meeting will also be proposed at the Annual General Meeting authorising the Directors to extend the Share Issue Mandate by the addition thereto of an amount representing the aggregate nominal amount of Shares repurchased by the Company under the authority granted pursuant to the Share Repurchase Mandate provided that such extended amount shall not exceed 10% of the total nominal amount of Shares in issue at the date of passing of the resolution no. 8C of the notice of the Annual General Meeting.

Reasons for Repurchase

Repurchases of Shares will only be made when the Directors believe that such a repurchase will benefit the Company and its Shareholders. Such repurchases may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the value of the net assets of the Company and/or earnings and/or dividend per Share.

Funding of Repurchase

Repurchases pursuant to the Repurchase Mandate would be financed entirely from the Company's available cash flow or working capital facilities. Any repurchases will be made out of funds of the Company legally permitted to be utilised in this connection in accordance with its Bye-laws and the laws of Hong Kong and the applicable laws of Bermuda, including profits otherwise available for distribution.

Under Bermuda law, repurchases may only be effected out of the capital paid up on the repurchased Shares or out of funds of the Company otherwise available for dividend or distribution or out of the proceeds of a fresh issue of Shares made for the purpose. Any premium payable on a purchase over the par value of the Shares to be purchased must be provided for out of funds of the Company otherwise available for dividend or distribution or out of the Company's share premium account.

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in its most recent published audited financial statements as at 31 March 2014) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

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Disclosure of Interests

None of the Directors, and to the best of their knowledge, having made all reasonable enquiries, none of their associates, has any present intention, if the Repurchase Mandate is approved by Shareholders and exercised, to sell any Shares to the Company or its subsidiaries.

No Connected Person has notified the Company that he has a present intention to sell any Shares to the Company, or that he has undertaken not to sell any Shares held by him to the Company, in the event that the Repurchase Mandate is granted by the Shareholders at the Annual General Meeting and is exercised.

Share Repurchase made by the Company

There have been no repurchases of Shares by the Company during the six months prior to the Latest Practicable Date (whether on the Stock Exchange or otherwise).

Directors' Undertaking

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

Takeovers Code Consequences

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. As a result, a Shareholder, or group of Shareholders acting in concert, depending on the level of increase of the Shareholder's 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.

For the purpose of determining the relevant figures, as at the Latest Practicable Date, United Vision International Limited ("**United Vision**"), the single largest Shareholder, together with Mr. Ku Ngai Yung, Otis and Mr. Ku Ka Yung, who are parties acting in concert with United Vision, are holding 144,833,828 Shares representing approximately 55.12% of the entire issued Shares. Assuming the Repurchase Mandate is exercised in full and there is no issue of new Shares by the Company, the shareholding of United Vision, together with Mr. Ku Ngai Yung, Otis and Mr. Ku Ka Yung, will be increased to an aggregate of approximately 61.24% of the entire issued Shares and therefore no obligation would arise in accordance with Rule 26 of the Takeovers Code. Apart from United Vision, Mr. Ku Ngai Yung, Otis and Mr. Ku Ka Yung, the Directors are not aware of any Shareholder, or group of Shareholders acting in concert who may become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code in the event that the Directors exercise the power to repurchase Shares pursuant to the Repurchase Mandate.

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Market Prices

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during the 12 months preceding the Latest Practicable Date were as follows:

	Share prices	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2013		
July	3.100	2.600
August	2.880	2.650
September	2.810	2.700
October	2.750	2.690
November	2.670	2.510
December	2.600	2.400
2014		
January	2.450	2.370
February	2.590	2.490
March	2.560	2.180
April	2.440	2.200
May	2.300	2.260
June	2.500	2.300
July (up to and including the Latest Practicable Date)	2.600	2.550

Shareholders' Approval

All repurchases of shares by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of a general mandate or by specific approval in relation to a specific transaction.

RE-ELECTION OF DIRECTORS

In accordance with Bye-laws 87(1) and 90, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall retire from office by rotation no later than the third annual general meeting after he was last elected or re-elected. Accordingly, at the Annual General Meeting, Mr. Tsang Wing Leung, Jimson, Mr. Chan Chi Sun and Ms. Ma Sau Ching shall retire and being eligible, each of them will offer himself/herself for re-election.

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Brief biographies of Mr. Tsang Wing Leung, Jimson, Mr. Chan Chi Sun and Ms. Ma Sau Ching are as follows:

Mr. Tsang Wing Leung, Jimson, aged 46, an executive Director, is responsible for the Group's product development and purchasing activities. He joined the Group in February 1989.

As at the Latest Practicable Date, Mr. Tsang Wing Leung, Jimson was interested in 1,570,000 Shares, representing approximately 0.60% of the issued share capital of the Company. Save as disclosed herein, Mr. Tsang Wing Leung, Jimson was not interested nor deemed to be interested in any shares, underlying shares or debentures of the Company and its associated corporations within the meaning of Part XV of the SFO.

There is a service agreement signed between the Company and Mr. Tsang Wing Leung, Jimson. Under the service agreement with the Company, the initial term is for two years commencing on 1 May 1999 and continuing thereafter until terminated by not less than 3 months' written notice served by either party. The length or proposed length of service with the Company will be renewed year by year. Mr. Tsang Wing Leung, Jimson is currently entitled to a monthly remuneration of HK\$58,000 from the Company. For the year ended 31 March 2014, Mr. Tsang Wing Leung, Jimson was entitled to a remuneration including salary, fee, benefits in kind and retirement contributions from the Group in the total amount of HK\$815,800. The emoluments of Mr. Tsang Wing Leung, Jimson are determined by the Board and remuneration committee of the Company with reference to his performance and contribution to the Group and also the terms of reference of the remuneration committee adopted by the Company. Except for being a Director, Mr. Tsang Wing Leung, Jimson also holds position of other Group member. Save as disclosed above, Mr. Tsang Wing Leung, Jimson does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company and he has no previous experience including other directorships held in other listed company in the last three years.

The Company is not aware of any matters that need to be brought to the attention of the Shareholders or any information that is required to be disclosed herein pursuant to paragraphs (h) to (w) of Rule 13.51(2) of the Listing Rules.

Mr. Chan Chi Sun, aged 48, an executive Director, is responsible for the general administration of the Group. He holds a bachelor degree from the University of Western Ontario, Canada. Prior to joining the Group in June 1994, he had worked for one of the major financial institutions in Hong Kong for four years and has extensive experience in information technology.

As at the Latest Practicable Date, Mr. Chan Chi Sun was interested in 1,526,000 Shares, representing approximately 0.58% of the issued share capital of the Company. Save as disclosed herein, Mr. Chan Chi Sun was not interested nor deemed to be interested in any shares, underlying shares or debentures of the Company and its associated corporations within the meaning of Part XV of the SFO.

There is a service agreement signed between the Company and Mr. Chan Chi Sun. Under the service agreement with the Company, the term is for two years commencing on

LETTER FROM THE BOARD

14 December 2001 and continuing thereafter until terminated by not less than 3 months' prior written notice served by either party. The length or proposed length of service with the Company will be renewed year by year. Mr. Chan Chi Sun is currently entitled to a monthly remuneration of HK\$65,000 from the Company. For the year ended 31 March 2014, Mr. Chan Chi Sun was entitled to a remuneration including salary, fee, benefits in kind and retirement contributions from the Group in the total amount of HK\$934,000. The emoluments of Mr. Chan Chi Sun are determined by the Board and remuneration committee of the Company with reference to his performance and contribution to the Group and also the terms of reference of the remuneration committee adopted by the Company. Except for being a Director, Mr. Chan Chi Sun also holds positions of other Group members. Save as disclosed above, Mr. Chan Chi Sun does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company, and has no previous experience including other directorships held in other listed company in the last three years.

The Company is not aware of any matters that need to be brought to the attention of the Shareholders or any information that is required to be disclosed herein pursuant to paragraphs (h) to (w) of Rule 13.51(2) of the Listing Rules.

Ms. Ma Sau Ching, aged 52, an executive Director, is responsible for the marketing development of the Group. She holds a master of business administration degree in strategic marketing from the University of Hull, the United Kingdom, and a diploma in management studies from the Hong Kong Polytechnic University. She joined the Group in December 1997 and has more than ten years of experience in the marketing of eyewear products.

As at the Latest Practicable Date, Ms. Ma Sau Ching was interested in 350,000 Shares, representing approximately 0.13% of the issued share capital of the Company. Save as disclosed herein, Ms. Ma Sau Ching was not interested nor deemed to be interested in any shares, underlying shares or debentures of the Company and its associated corporations within the meaning of Part XV of the SFO.

There is a service agreement signed between the Company and Ms. Ma Sau Ching. Under the service agreement with the Company, the initial term is for two years commencing on 14 December 2001 and continuing thereafter until terminated by not less than 3 months' written notice served by either party. The length or proposed length of service with the Company will be renewed year by year. Ms. Ma Sau Ching is currently entitled to a monthly remuneration of HK\$73,000 from the Company. For the year ended 31 March 2014, Ms. Ma Sau Ching was entitled to a remuneration including salary, fee, benefits in kind and retirement contributions from the Group in the total amount of HK\$1,030,800. The emoluments of Ms. Ma Sau Ching are determined by the Board and remuneration committee of the Company with reference to her performance and contribution to the Group and also the terms of reference of the remuneration committee adopted by the Company. Except for being a Director, Ms. Ma Sau Ching holds position of other Group member. Save as disclosed above, Ms. Ma Sau Ching does not have any relationship with any Directors, senior management or substantial or controlling shareholders of the Company and she has no previous experience including other directorships held in other listed company in the last three years.

LETTER FROM THE BOARD

The Company is not aware of any matters that need to be brought to the attention to the Shareholders or any information that is required to be disclosed herein pursuant to paragraphs (h) to (w) of Rule 13.51(2) of the Listing Rules.

PROPOSED TERMINATION OF THE EXISTING SHARE OPTION SCHEME AND ADOPTION OF THE NEW SHARE OPTION SCHEME

On 6 September 2004, the Company adopted the Existing Share Option Scheme. Pursuant to the terms of the Existing Share Option Scheme, it is effective for 10 years after its adoption date, and will expire on 5 September 2014.

No share option has been granted, exercised, cancelled or lapsed under the Existing Share Option Scheme since its adoption. As at the Latest Practicable Date, there was no outstanding share option granted under the Existing Share Option Scheme.

In view of the imminent expiration of the Existing Share Option Scheme, in order to enable the Group to provide any person in full time employment of the Company or any of its subsidiaries with the opportunity to acquire proprietary interests in the Company, which would encourage the Grantees of such options to work towards enhancing the value of the Company, the Directors propose to recommend to the Shareholders at the Annual General Meeting to conditionally approve the termination of the Existing Share Option Scheme and the adoption of the New Share Option Scheme.

Under the terms of the Existing Share Option Scheme, the Company may by ordinary resolution in general meeting at any time terminate the operation of the Existing Share Option Scheme. It is proposed that the Existing Share Option Scheme is to be terminated upon the adoption of the New Share Option Scheme. Upon termination of the Existing Share Option Scheme, no further options can be offered thereunder but the provisions of the Existing Share Option Scheme shall remain in all other respects in full force and effect in respect of any options granted prior to such termination but not yet exercised at the time of termination. The Directors confirm that prior to the Annual General Meeting, they will not grant any options under the Existing Share Option Scheme.

A summary of the principal terms of the New Share Option Scheme which is proposed to be approved and adopted by the Company at the Annual General Meeting is set out in the section headed "Summary of the Principal Terms of the New Share Option Scheme" to this circular below on pages 12 to 20. A copy of the proposed New Share Option Scheme will be available for inspection at the Company's principal place of business in Hong Kong at 1001C, 10th Floor, Sunbeam Centre, 27 Shing Yip Street, Kwun Tong, Kowloon, Hong Kong during normal business hours from the date hereof up to and including the date of the Annual General Meeting. In accordance with the requirements of the Listing Rules, the Company will publish an announcement on the outcome of the Annual General Meeting in respect of, among others, the resolution relating to the adoption of the New Share Option Scheme on the websites of the Company and of the Stock Exchange by 8:30 a.m. on the day following the date of the Annual General Meeting.

None of the Directors is trustee of the New Share Option Scheme or has a direct or indirect interest in the trustee. As at the Latest Practicable Date, there is no trustee of the New Share Option Scheme.

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With respect to the operation of the New Share Option Scheme, the Company will, where applicable, comply with the relevant requirements under Chapter 17 of the Listing Rules.

Application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of the Options granted under the New Share Option Scheme.

SUMMARY OF THE PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME

Purpose of the New Share Option Scheme

The purpose of the New Share Option Scheme is to recognize and acknowledge the contribution of the Eligible Persons made or may have made to the Group. The New Share Option Scheme will provide the Eligible Persons with an opportunity to have a personal stake in the Company with the view of achieving the objectives of motivating the Eligible Persons to optimise their performance efficiency for the benefit of the Company, and to attract and retain or otherwise maintain on-going relationships with the Grantees whose contributions are or will be beneficial to the long-term growth of the Group.

Who may join

The Committee may, at their discretion, offer to grant the Options to any person in full time employment of the Company or any of its subsidiary under the New Share Option Scheme.

Grant of the Option

The Committee shall, during the life of the New Share Option Scheme and at its absolute discretion (subject to any terms and conditions as it may think fit) offer to grant on one or more occasions to an Eligible Person as the Committee may in its absolute discretion think fit. In granting the Option, the Committee shall notify the Grantee all relevant particulars relating to the Option, including the Option Period, the number of Shares to which the Option relates, the exercise price and any additional restrictions or conditions as the Committee may in its absolute discretion impose on exercising the Options. Upon acceptance of the Option, the Grantee shall pay HK\$1 to the Company as consideration for the Option.

Any agreement for the grant of or offer of Options pursuant hereto shall be subject to the terms of the New Share Option Scheme and shall be subject to any adjustments made pursuant to the New Share Option Scheme at any time and from time to time.

The adoption of the New Share Option Scheme is conditional upon (i) the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in any Shares to be issued pursuant to the exercise of the Options under the New Share Option Scheme; and (ii) the approval of the termination of the Existing Share Option Scheme and the adoption of the New Share Option Scheme by the Shareholders at the Annual General Meeting.

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For the avoidance of doubt, no Option shall be granted to any Eligible Person after an inside information has come to the Company's knowledge until such inside information has been announced by the Company in accordance with the requirements of the Listing Rules and in particular, during the period commencing one month immediately before the earlier of:

- (a) the date of the meeting of the Board (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for approving the Company's results for any year, half-year, quarterly or any other interim period (if applicable);
- (b) the deadline for the Company to announce the results of the Group for any financial year or half-year or quarterly or any other interim period under the Listing Rules; or
- (c) the date of general offer or an imminent general offer.

For the avoidance of doubt, no Option may be granted during any period of delay in publishing a result announcement.

In addition, no Option shall be granted to any Eligible Person who is a director of the Company, on any day on which the financial results of the Company are published and (i) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and (ii) during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

For the avoidance of doubt, the foregoing period during which no Option may be granted shall cover any period of delay in the publications of a results announcement.

Any grant of an Option to a Director, chief executive of the Company or Substantial Shareholder or any of their respective associates shall be approved by all the independent non-executive Directors (excluding any independent non-executive Director who is the Grantee of such Options).

Where Options are proposed to be granted to a Substantial Shareholder or an independent non-executive Director or any of their respective associates and the proposed grant of Options to such person, when aggregated with the Options (whether exercised, cancelled, outstanding or granted (whether or not cancelled) under the New Share Option Scheme) already granted to such person in the preceding 12-month period, would entitle them to receive (including Shares issued and to be issued) more than 0.1% of the total issued Shares for the time being and the value of which by reference to the closing price of the Shares at the date of each grant is in excess of HK\$5 million, then the proposed grant must be subject to the approval of the Shareholders taken on a poll in general meeting of the Company. For the purpose of the general meeting of the Company, the Grantee, his associates and all Core Connected Persons must abstain from voting in such general

LETTER FROM THE BOARD

meeting, except where any Grantee, his associates and/or Core Connected Person intends to vote against the proposed grant and his intention to do so has been stated in the circular to be despatched to Shareholders.

For the purpose of the above paragraph, the circular containing the following shall be prepared by the Company and despatched to Shareholders no later than the date on which the Company gives notice of the general meeting of the Company to approve the proposed grant of Options:

- (a) details of the number and terms of the Options (including the Option price, i.e. the exercise price) to be granted to each Grantee;
- (b) a recommendation from all the independent non-executive Directors (excluding one who is the Grantee of the relevant Options) on whether or not to vote in favour of the proposed grant; and
- (c) any other information as may be required under the Listing Rules.

Any change in the terms of the Options granted to an Eligible Person who is a Director, chief executive or Substantial Shareholder of the Company or their respective associates shall be approved by the Shareholders in such manner as set out in the above paragraph.

Total number of securities that may be issued upon exercise of all Options

On the basis of the ordinary shares in issue as at the Latest Practicable Date being 262,778,286, the maximum number of securities that could be issued pursuant to the New Share Option Scheme is 26,277,828 upon exercise of all options to be granted under Scheme (representing 10% of the issued share capital) as at that date and at the date of the Annual General Meeting unless the shareholders approve a refreshing of that limit in accordance with Rule 17.03(3) of the Listing Rules.

Exercise price of Options granted

The subscription price for Shares under the New Share Option Scheme will be determined by the Committee and notified to each Grantee and will be no less than the greater of:

- (a) the closing price of the Share as stated in the Stock Exchange's daily quotations sheets on the date of grant;
- (b) the average of the closing price of the Share as stated in the Stock Exchange's daily quotations sheets on each of the five business days immediately preceding the date of grant of such Option (subject to adjustments); and
- (c) the nominal value of the Share;

or (where applicable) such price as from time to time adjusted pursuant to the New Share Option Scheme.

LETTER FROM THE BOARD

Maximum entitlement of each participant under the New Share Option Scheme

Notwithstanding the provisions in the New Share Option Scheme, the overall limit on the number of Shares which may be issued upon exercise of all outstanding options, granted and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the Shares in issue from time to time (the “**Scheme Limit**”).

The total number of Shares available for issue under Options which may be granted under the New Share Option Scheme and any other share option scheme of the Company must not in aggregate exceed 10% (or such higher percentage as may from time to time be permitted under the Listing Rules and the Stock Exchange) of the total number of Shares in issue as at the date of approval of the New Share Option Scheme (the “**Scheme Mandate Limit**”) unless Shareholders’ approval has been obtained pursuant to the following paragraphs. Options lapsed in accordance with the terms of the New Share Option Scheme shall not be counted for the purpose of calculating the Scheme Mandate Limit.

The Scheme Mandate Limit may be renewed at any time subject to Shareholders’ approval. The Scheme Mandate Limit as renewed must not exceed 10% of the total number of Shares in issue at the date of the Shareholders’ approval for renewal of the Scheme Mandate Limit. Options previously granted under the New Share Option Scheme (including those outstanding, cancelled, lapsed in accordance with the New Share Option Scheme or exercised Options) will not be counted for the purpose of calculating the Scheme Mandate Limit as renewed. A circular for the purpose of seeking Shareholders’ approval on the renewal of the Scheme Mandate Limit shall be sent to the Shareholders.

The total number of the Shares issued and to be issued upon exercise of the Options granted including those granted (whether or not cancelled) under the New Share Option Scheme and to be granted to any Eligible Person (including exercised, cancelled and outstanding Options) in any 12-month period up to the date of grant to such Eligible Person shall not exceed 1% of the issued Shares from time to time (the “**1% Limit**”). Any further grant of Options in excess of the 1% Limit must be subject to (i) Shareholders’ approval with that Eligible Person and his close associates (or his associate if the Eligible Person is a Connected Person) abstaining from voting and (ii) the issue of a circular. The circular must disclose the identity of the participants, the number and the terms of the Options granted and to be granted and other information as may be required under the Listing Rules. The number and terms (including the Option price, i.e. the exercise price) of Options to be granted to such participants must be fixed before the Shareholders’ approval and the date of the meeting of the Committee for proposing such further grant should be taken as the date of grant for the purpose of calculating the exercise price.

The Company may also seek separate Shareholders’ approval for granting Options beyond the Scheme Mandate Limit to Eligible Persons specifically identified by the Company before such approval is sought and subject to Shareholders’ approval and the issue of a circular to all the Shareholders. The circular must contain, amongst other things, a generic description of the identified participants, the number and terms of the Options to be granted, the purpose of granting Options to the identified participants, an explanation as to how the terms of such Options serve the intended purpose and such other information as may be required under the Listing Rules.

LETTER FROM THE BOARD

The Company shall make additional disclosures in the annual and interim reports of the Company in accordance with the Listing Rules, including details of the Options granted (in the manner as required under the Listing Rules) to:

- (a) each Connected Person;
- (b) each participant with Options granted in excess of the individual limit;
- (c) aggregate figures for employees working under employment contracts that are regarded as “continuous contracts” for the purpose of the Employment Ordinance;
- (d) aggregate figures for suppliers of good or services; and
- (e) other participants in aggregate.

Time of exercise of Options

An Option may be exercised in accordance with the Rules of the New Share Option Scheme at any time during the Option Period as specified by the Committee in relation to each such Option in its terms of grant provided that the period within which the Option must be executed shall be within the Option Period.

Under the Rules of the New Share Option Scheme, the Committee has discretion to provide restrictions on how and when an Option during the period for which an Option may be held or a performance target, if any, which must be achieved before an Option can be exercised. Such discretion allow the Committee to provide incentives to Eligible Persons to remain employed with the Group during the minimum period and thereby enabling the Group to benefit from the continued services of such Eligible Persons during such period. This discretion, coupled with the power of the Committee to impose any performance target as it considers appropriate before any Option can be exercised, enables the Group to incentivise the Eligible Persons. Although the New Share Option Scheme does not specify any minimum holding period nor performance target that must be achieved before an Option can be exercised, the Directors are of the view that the Rules of the New Share Option Scheme provides appropriate flexibility to the Committee in granting Options to the Eligible Persons and in particular, imposing minimum holding period, performance targets before an Option can be exercised will place the Group in a better position to achieve the purpose of the New Share Option Scheme.

Terms of the Options to be granted under the New Share Option Scheme

As the New Share Option Scheme shall remain valid for a period of 10 years commencing on its date of adoption (expected to be on the date of Annual General Meeting) (the “**Scheme Period**”), Options may be granted pursuant to the New Share Option Scheme within that term.

LETTER FROM THE BOARD

Any Options not exercised within this term will expire. Additionally, all Options will immediately expire if the participant ceases to be employed (by reason of dismissal), or is no longer providing services to the Company. However, if the Grantee of an Option ceases to be an Eligible Person by reason of ill-health, injury, disability or death, or on retirement in accordance with his contract of employment or otherwise by agreement with his employing company, then he or (as the case may be) his personal representative may exercise all his Options within a period of 3 months from the date of such ill-health, injury, disability or death or retirement (or for such a longer period as the Board may determine), failing which such Options shall lapse and determine at the end of the relevant period.

Any grant of an Option, once made, will be adjusted (in terms of either its exercise price or the number of underlying securities) if there is any capitalization issue, rights issue, sub-division or consolidation of Shares or reduction of capital of the Company.

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

- (a) the expiry of the Option Period;
- (b) the expiry of the periods referred to in the sub-section headed "Right on take-over" in this section headed "Summary of the Principal Terms of the New Share Option Scheme" to this circular;
- (c) subject to the scheme or amalgamation becoming effective, the expiry of the period referred to in the sub-sections headed "Rights on a compromise or arrangement" in this section headed "Summary of the Principal Terms of the New Share Option Scheme" to this circular;
- (d) the date on which the Grantee of an Option ceases to be a participant by reason of the termination of his employment, directorship, office or appointment on grounds including, but not limited to, misconduct, bankruptcy, insolvency and conviction of any criminal offence involving his integrity or honesty;
- (e) the close of the two Business Days prior to the general meeting of the Company held for the purpose of approving the voluntary winding-up of the Company or the date of the commencement of the winding-up of the Company; or
- (f) the date on which the Option is cancelled by the Board in accordance with the Shareholders' approval in general meeting (as described in the sub-sections headed "Provision for cancellation of Options granted but not exercised" in this section headed "Summary of the Principal Terms of the New Share Option Scheme" to this circular.

LETTER FROM THE BOARD

Assignment and ranking of Options

An Option may not be transferred or assigned by the Grantee.

The Shares to be allotted upon the exercise of an Option will be subject to the Bye-laws for the time being in force and will rank pari-passu with the fully paid Shares in issue on the date of exercise of the Option, and accordingly will entitle the holders to participate in all dividends or other distributions paid or made after the date of exercise of the Option 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 on or before the date of exercise of the Option, save that the Shares allotted upon the exercise of any Option shall not carry any voting rights until the name of the Grantee has been duly entered on the register of members of the Company as the holder thereof.

Rights on take-over

If a general offer or takeover offer has been made to the holders of Shares or otherwise, the Committee shall as soon as practicable thereafter notify every holders of the Option (“**Option Holder**”) accordingly and the Directors shall within 14 days thereafter notify every Option Holder as to which of the following provision shall apply provided always that in the case of any adjustment proposed to be made to the number of Shares or amount of the exercise price, the relevant requirements in the New Share Option Scheme on adjustments to the number of Shares or amount of exercise price subject to Options already granted shall be complied with:

- (a) each Option Holder shall be entitled at any time to exercise all or any of his Options in whole or in part;
- (b) the Directors may grant a cash bonus award to the Option Holder for an amount equal to the exercise price in consideration of such Option Holder surrendering the relevant Options for cancellation;
- (c) the Director may grant a cash sum equal to the difference between (a) the exercise price; and (b) the greater of the offer price for the Shares or the fair market value of the Shares, as determined by the Directors, in consideration of such Option Holders surrendering the relevant Options for cancellation; or
- (d) the Directors may determine that any or all outstanding Options will not vest or become exercisable immediately in the event of a tender offer or exchange offer to acquire the Shares if provision is made to substitute new Options that are, in the Directors’ opinion, equivalent to the outstanding Options.

Each Option Holder may by notice in writing to the Company within 21 days of the date of such notice, exercise his Option in whole or in part (to the extent not already exercised) and if an Option Holder fails to notify the Company in writing within the prescribed period to exercise his Option, his Option shall lapse.

LETTER FROM THE BOARD

Rights on a compromise or arrangement

If a compromise or arrangement between the Company and its members or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to all Option Holder (together with a notice of the existence of the provisions of this Rule) on the same date as it dispatches to each member or creditor of the Company a notice summoning the meeting to consider such a compromise or arrangement, and thereupon and subject to the Directors having complied with relevant requirements in the New Share Option Scheme on adjustments to the number of Shares or amount of exercise price subject to Options already granted, each Option Holder shall be entitled to exercise all or any of his Option in whole or in any part or any time prior to 12:00 noon on the business day immediately preceding the date of the meeting directed to be convened by the Court for the purposes of considering such compromise or arrangement. With effect from the date of such meeting, the rights of all Option Holders to exercise their respective Options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all Options shall to the extent that they have not been exercised thereupon lapse and determine.

Provision for cancellation of Options granted but not exercised

Any cancellation of Options granted but not exercised or termination of the New Share Option Scheme before its term must be approved by the Shareholders of the Company in general meeting, with the relevant Grantees and their associates abstaining from voting. Any vote taken at the meeting to approve such cancellation must be taken by poll.

Alteration to the New Share Option Scheme

The New Share Option Scheme may be altered in any respect by resolution of the Board except that the provisions of the New Share Option Scheme relating to matters contained in rule 17.03 of the Listing Rules shall not be altered relating to matters to the advantage of the Grantees or prospective Grantees except with the prior approval of the Shareholders in general meeting of the Company (with Option holders or prospective Option Holders or participants and their associates abstaining from voting). No such alteration shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alteration except with the consent or sanction of such number of Option Holders or Grantees of Options as shall together hold Options in respect of not less than three-fourths in nominal value of all Shares then subject to Options granted under the New Share Option Scheme.

Any alteration to the terms and conditions of the New Share Option Scheme which are of a material nature or any change to the terms of the Options granted must be approved by the Shareholders, except where the alterations take effect automatically under the existing terms of the New Share Option Scheme. The amended terms of the New Share Option Scheme or the Option must comply with Chapter 17 of the Listing Rules. Any change to the authority of the Directors in relation to any alteration to the terms of the New Share Option Scheme must be approved by the Shareholders in general meeting.

LETTER FROM THE BOARD

The Company may by ordinary resolution in general meeting at any time terminate the operation of the New Share Option Scheme and in such event no further Options shall be offered but the provisions of the New Share Option Scheme shall remain in all other respects in full force and effect in respect of any Options granted prior thereto but not yet exercised at the time of termination. Options complying with the provisions of Chapter 17 of the Listing Rules which are granted during the Scheme Period and remain unexpired immediately prior to the termination of the operation of the New Share Option Scheme shall continue to be exercisable in accordance with their terms of issue within one month after the termination of the operation of the New Share Option Scheme. Any Options not exercised within this prescribed period shall lapse. In the event of such termination of the New Share Option Scheme, details of the Options granted, including Options exercised or outstanding, under the New Share Option Scheme, and (if applicable) Options that become void or non-exercisable as a result of the termination of the New Share Option Scheme, shall be disclosed in the circular to Shareholders seeking approval of the first new share option scheme established thereafter.

Conditions of the New Share Option Scheme

The New Share Option Scheme is conditional upon (i) the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in any Shares to be issued pursuant to the exercise of the Options under the New Share Option Scheme; and (ii) the approval of the termination of the Existing Share Option Scheme and the adoption of the New Share Option Scheme by the Shareholders at the Annual General Meeting.

As at the Latest Practicable Date, no Option has been granted or agreed to be granted by the Company under the New Share Option Scheme.

Value of Options

It is considered inappropriate by the Directors to value all the Options that can be granted under the New Share Option Scheme on the assumption that they were granted on the Latest Practicable Date as a number of factors critical for the valuation cannot be determined for example, the options exercise period, conditions, etc. It would not be meaningful and would be misleading to Shareholders if any valuations of the Options are stated which were based on such variable assumptions.

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 misleading.

LETTER FROM THE BOARD

ANNUAL GENERAL MEETING

The notice of the Annual General Meeting is set out on pages 22 to 26 of this circular. A form of proxy for use at the Annual General Meeting is enclosed and whether you intend to be present at the Annual General Meeting, you are requested to complete the form of proxy and return it to the Company's Hong Kong branch share registrar in accordance with the instructions printed thereon not less than 48 hours before the time limit fixed for holding the Annual General Meeting. Completion of the form of proxy and returning it to the Company will not preclude you from attending, and voting at, the Annual General Meeting if you so wish.

No Shareholder is required to abstain from voting with respect to each of the resolutions put to vote at the Annual General Meeting.

VOTING BY POLL

According to Rule 13.39(4) of the Listing Rules, any vote of 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, all the resolutions put to vote at the Annual General Meeting will be taken by way of poll.

An announcement will be made by the Company following the conclusion of the Annual General Meeting to inform you of the poll results.

RECOMMENDATION

The Directors consider that the granting of the Share Issue Mandate, the Repurchase Mandate, the extension of the Share Issue Mandate, the re-election of Directors and the termination of the Existing Share Option Scheme and the adoption of the New Share Option Scheme are in the interests of and for the benefit of the Company and the Shareholders as a whole and accordingly the Directors recommend you to vote in favour of these resolutions to be proposed at the Annual General Meeting.

Yours faithfully,
For and on behalf of the Board
Ku Ngai Yung, Otis
Chairman

NOTICE OF ANNUAL GENERAL MEETING



SUN HING VISION GROUP HOLDINGS LIMITED
新興光學集團控股有限公司

SUN HING VISION GROUP HOLDINGS LIMITED 新興光學集團控股有限公司*

(Incorporated in Bermuda with limited liability)
(Stock Code: 125)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Sun Hing Vision Group Holdings Limited (the “**Company**”) will be held at Jasmine Room, The Royal Garden, 69 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Friday, 22 August 2014 at 10:00 a.m. for the following purposes:

As ordinary business:

1. To receive, consider and adopt the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors and auditors for the year ended 31 March 2014.
2. To re-elect Mr. Tsang Wing Leung, Jimson as executive Director.
3. To re-elect Mr. Chan Chi Sun as executive Director.
4. To re-elect Ms. Ma Sau Ching as executive Director.
5. To authorise the Board to fix the directors’ remuneration.
6. To re-appoint auditors and authorise the Board to fix their remunerations.
7. To declare a final dividend and a final special dividend for the year ended 31 March 2014.

As special businesses:

8. To consider and, if thought fit, pass with or without modifications, the following resolution as an Ordinary Resolution:

ORDINARY RESOLUTION

A. “**THAT:**

- (a) subject to paragraph (c) of this Resolution, the exercise by the directors of the Company during the Relevant Period (as defined

* For identification purposes only

NOTICE OF ANNUAL GENERAL MEETING

in paragraph (d) of this Resolution) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company or securities convertible into such shares, options, warrants or similar rights to subscribe for any shares in the Company, and to make and grant offers, agreements and options which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;

- (b) the approval in paragraph (a) of this Resolution shall authorise the directors of the Company during the Relevant Period to make and grant offers, agreements and options which would or might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to the shares of the Company issued as a result of a Rights Issue (as defined in paragraph (d) of this Resolution) or pursuant to the exercise of options under any existing share option scheme or similar arrangement or any scrip dividend or similar arrangement providing for the allotment of shares of the Company in lieu of the whole or part of the dividend on the shares of the Company in accordance with the Company's Bye-laws, shall not exceed ten per cent. (10%) of the aggregate nominal amount of the share capital of the Company in issue as at the date of 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 earliest of:

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

"Rights Issue" means an offer of shares in the capital of the Company open for a period fixed by the directors of the Company

NOTICE OF ANNUAL GENERAL MEETING

to the holders of shares 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 recognised regulatory body or any stock exchange in, or in any territory outside, Hong Kong)."

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) of this Resolution) of all the powers of the Company to repurchase its own shares on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") or on any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange on which the securities of the Company may be listed as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company to be repurchased by the Company pursuant to the approval mentioned in paragraph (a) of this Resolution during the Relevant Period shall not exceed ten per cent. (10%) of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this Resolution and the said approval shall be limited accordingly; and
- (c) for the purposes of this Resolution the expression "Relevant Period" shall have the same meaning as assigned to it under Ordinary Resolution 8A(d) of this notice."

NOTICE OF ANNUAL GENERAL MEETING

- C. “**THAT** conditional upon Resolutions 8A and 8B being passed, the aggregate nominal amount of shares in the capital of the Company which is repurchased by the Company under the authority granted to the directors as mentioned in Resolution 8B above shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to Resolution 8A, provided that the amount of share capital repurchased by the Company shall not exceed 10% of the total nominal amount of the share capital of the Company in issue on the date of this Resolution.”
9. To consider and, if thought fit, pass with or without modifications, the following resolution as Ordinary Resolution:

“**THAT:**

- (a) conditional upon the Stock Exchange granting the approval for the listing of, and permission to deal in any Shares to be issued pursuant to the exercise of the options under the new share option scheme referred to in the circular of the Company dated 21 July 2014, the terms of which are set out in the printed document produced to the meeting and marked “A” and signed by the chairman of the meeting for purposes of identification (the “**New Share Option Scheme**”), the New Share Option Scheme be and are hereby approved and adopted to be the new share option scheme of the Company, and the Board be and is authorised to do and take all such acts or steps and to enter into all such transactions and arrangements as they may consider necessary or expedient to implement and to give effect to the New Share Option Scheme;
- (b) the directors of the Company be and are hereby authorised to grant options in accordance with the terms of the New Share Option Scheme, and to allot, issue and deal with the shares in the Company pursuant to the exercise of any option granted under the New Share Option Scheme provided that the number of options granted thereunder shall be subject to a maximum limit as set out in the New Share Option Scheme, and to take all necessary actions incidental thereof as the directors of the Company deem fit; and
- (c) conditional upon the New Share Option Scheme becoming unconditional, the existing share option scheme of the Company (the “**Existing Share Option Scheme**”) which was adopted by the Company on 6 September 2004 be terminated with effect from the adoption of the New Share Option Scheme provided that any options granted under the Existing Share Option Scheme prior to the date of its termination (if any) shall continue to be valid and exercisable in accordance with the Existing Share Option Scheme and the provision of the Existing Share

NOTICE OF ANNUAL GENERAL MEETING

Option shall remain in full force and effect to the extent necessary to give effect to the exercise of such options.”

By Order of the Board
Lee Kar Lun, Clarence
Secretary

Hong Kong, 21 July 2014

Principal Office:
1001C, 10th Floor
Sunbeam Centre
27 Shing Yip Street
Kwun Tong
Kowloon
Hong Kong

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him/her. A proxy does not need not be a member of the Company.
2. A form of proxy is enclosed. To be valid, this form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, must be deposited at the Company's Branch Share Registrar in Hong Kong, Union Registrars Limited, 18th Floor, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment hereof.
3. The register of members of the Company will be closed from 19 August 2014 to 22 August 2014, both days inclusive, during which period no transfer of shares will be effected for determining the shareholders who are entitled to attend and vote at the meeting. In order to be eligible to attend and vote at the meeting, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar in Hong Kong, Union Registrars Limited, 18th Floor, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong not later than 4:00 p.m. on 18 August 2014.
4. The register of members of the Company will be closed from 29 August 2014 to 3 September 2014, both days inclusive, during which period no transfer of shares will be effected for determining the shareholders who are entitled for the proposed final dividend and final special dividend for the year ended 31 March 2014. In order to qualify for the proposed final dividend and final special dividend for the year ended 31 March 2014, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar in Hong Kong, Union Registrars Limited, 18th Floor, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong not later than 4:00 p.m. on 28 August 2014.
5. With reference to the Ordinary Resolutions sought in items 8A and 8B of this notice, the directors of the Company wish to state that they have no immediate plans to issue any new shares or to repurchase any existing shares of the Company. The explanatory statement required by the Listing Rules of the Stock Exchange in connection with the repurchase mandate is despatched to shareholders together with this notice.