IMPORTANT
THIS CIRCULAR REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold all your shares in Oriental Watch Holdings Limited you should at once hand this circular and the accompanying form of proxy to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

ORIENTAL WATCH HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 398)

Directors:
Yeung Ming Biu *(Chairman)*
Yeung Him Kit, Dennis *(Managing Director)*
Fung Kwong Yiu
Yeung Man Yee, Shirley
Lam Hing Lun, Alain
Choi Kwok Yum
Sun Ping Hsu, Samson, Dr.*
Li Sau Hung, Eddy, Dr.*
Choi Man Chau, Michael*

* *Independent non-executive directors*

Principal Office:
Room 312-8
China Insurance Group Building
141 Des Voeux Road Central
Hong Kong

28th July, 2009

To the shareholders and, for information only, warrantholders

Dear Sir or Madam,

PROPOSED BONUS ISSUE OF SHARES
INCREASE OF AUTHORISED SHARE CAPITAL
GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES AND AMENDMENT OF BYE-LAWS
NOTICE OF ANNUAL GENERAL MEETING AND RE-ELECTION OF DIRECTORS

INTRODUCTION

In conjunction with the annual results of Oriental Watch Holdings Limited (the "Company") for the year ended 31st March, 2009, it was announced on 8th July, 2009 that the directors of the Company proposed a bonus issue of shares of HK$0.10 each of the Company ("Shares") to shareholders on the register of members of the Company on 26th August, 2008 (the "Bonus Issue") and to increase the authorised share capital of the Company from HK$50 million to HK$100 million. It is also proposed to grant to the directors of the Company general mandates to issue shares, to repurchase shares of the Company and to amend the Bye-laws of the Company.

The purpose of this circular is to give you further details of the abovementioned proposals and notice of the annual general meeting of the Company for the year ended 31st March, 2009 (the "AGM"). In compliance with the Listing Rules of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), this circular also contains the explanatory statement and gives all the information reasonably necessary to enable shareholders to make an informed decision on whether to vote for or against the resolutions to approve the purchase by the Company of its own shares, together with particulars of the directors proposed to be re-elected at the AGM.

BONUS ISSUE

The directors propose a bonus issue of Shares to shareholders of the Company on the register of members on 26th August, 2009 (the "Record Date") on the basis of one new Share for every 10 Shares held by such shareholders on such date (subject as mentioned below). The new bonus Shares will rank pari passu in all respects with the existing Shares except that they will not be entitled to the final dividend for the year ended 31st March, 2009.

No shareholder shall be entitled to be issued any fraction of a Share. Fractional entitlements to Shares will not be issued but will be aggregated and the resulting Shares sold for the benefit of the Company.

On 22nd July, 2009 (the "Latest Practicable Date"), being the latest practicable date prior to the printing of this circular, there were (a) 323,253,200 issued Shares; (b) 46,000,000 units of outstanding warrants of the Company entitling their holders to subscribe for Shares at an initial subscription price of HK$1.81 per Share (subject to adjustment) for a period of 30 months commencing from 26th June, 2007 ("Warrants"); and (c) outstanding options granted under the share option scheme of the Company to subscribe for a total of 27,500,000 Shares (the "Options"). On the assumption that all the outstanding subscription rights under the Warrants and the Options will be exercised before 21st August, 2009, the first day of closure of the register of members of the Company, 396,753,200 Shares will be in issue on the Record Date (the "Maximum Issued Shares") and a total of 39,675,320 Shares will be issued under the Bonus Issue.

The Bonus Issue is conditional upon the approval of shareholders at the AGM and the Listing Committee of the Stock Exchange granting a listing of and permission to deal in the bonus Shares.

The subscription price of the outstanding Warrants and Options will be adjusted as a result of the Bonus Issue. An announcement on the adjustments will be made as soon as possible.

Application has been made to the Listing Committee of the Stock Exchange for a listing of and permission to deal in the bonus Shares. It is expected that certificates for the bonus Shares will be posted to those entitled thereto at their own risk by Tricor Secretaries Limited (the "Share Registrar"), the branch share registrar of the Company, on or before 31st August, 2009.

The Shares are only listed on the Stock Exchange and not on any other stock exchange.

The expected timetable for the Bonus Issue is as following:

	2009
Last day of dealing in Shares on a cum-entitlement basis	Tuesday, 18th August
First day of dealing in Shares on an ex-entitlement basis	Wednesday, 19th August
Latest time for lodging transfer of Shares in order to qualify for the Bonus Issue and the final dividend for the year ended 31st March, 2009	4:30 p.m. on Thursday, 20th August
Register of members of the Company closes (both days inclusive)	Friday, 21st August to Wednesday, 26th August
Latest time for return of proxy form for the AGM	3:30 p.m. on Monday, 24th August
AGM	3:30 p.m. on Wednesday, 26th August
Record Date	Wednesday, 26th August
Announcement of results of the AGM	Wednesday, 26th August
Register of members of the Company re-opens	Thursday, 27th August
Despatch of certificates for bonus Shares on or before	Monday, 31st August

INCREASE IN AUTHORISED SHARE CAPITAL

The existing authorised share capital of the Company is HK$50 million divided into 500 million Shares. On the Latest Practicable Date there were in issue an aggregate of 323,253,200 Shares, and a total of 73,500,000 Shares are issuable on full exercise of the subscription rights under the Warrants and the Options. It is proposed to increase the authorised share capital of the Company to HK$100 million by the creation of an additional 500 million Shares in order to allow further issue of Shares.

GENERAL MANDATE TO ISSUE SHARES

It is also proposed to grant a general mandate to the directors to allot, issue and dispose of shares of the Company not exceeding 20 per cent. of the issued share capital of the Company in issue to provide flexibility to the Company to raise fund by issue of Shares efficiently. Based on the Maximum Issued Shares, exercise in full of the mandate could result in up to 79,350,640 Shares being issued by the Company.

GENERAL MANDATE TO REPURCHASE SHARES

It is also proposed that the directors be given a general mandate to exercise all powers of the Company to repurchase issued and fully paid Shares. Under such mandate, the number of Shares that the Company may repurchase shall not exceed 10 per cent. of the share capital of the Company in issue as at the date of the relevant resolution.

The Company's authority is restricted to purchases made on the Stock Exchange in accordance with the Listing Rules of the Stock Exchange. The mandate allows the Company to make or agree to make purchases only during the period ending on the earliest of the date of the next annual general meeting, the date by which the next annual general meeting of the Company is required to be held by law or the date upon which such authority is revoked or varied by an ordinary resolution of the shareholders in a general meeting of the Company.

Based on 323,253,200 Shares in issue as at the Latest Practicable Date and on the assumption that no Shares will be issued prior to the AGM, exercise in full of the mandate could result in up to 32,325,320 Shares being repurchased by the Company. Based on the Maximum Issued Shares, exercise in full of the mandate could result in up to 39,675,320 Shares being repurchased by the Company.

The directors have no present intention to repurchase any Shares but consider that the mandate will provide the Company the flexibility to make such repurchase when appropriate and beneficial to the Company. Such repurchases may enhance the net value of the Company and/or earnings per Share. As compared with the financial position of the Company as at 31st March, 2009 (being the date of its latest audited accounts), the directors consider that there would be a material adverse impact on the working capital and the gearing position of the Company in the event that the proposed purchases were to be carried out in full during the proposed purchase period. No purchase would be made in circumstances that would have a material adverse impact on the working capital or gearing ratio of the Company.

The Company is empowered by its Memorandum of Association and Bye laws to purchase its Shares. Bermuda law provides that the amount of capital repaid in connection with a share repurchase may only be paid out of either the capital paid up on the relevant shares, or funds of the Company that would otherwise be 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 that would otherwise be available for dividend or distribution or out of the share premium account of the Company.

The directors intend to apply the capital paid up on the relevant Shares or the profit that would otherwise be available for distribution by way of dividend for any purchase of its Shares.

Directors, their associates and connected persons

None of the directors nor, to the best of the knowledge and belief of the directors having made all reasonable enquiries, any of the associates of any of the directors has any present intention, in the event that the proposal is approved by shareholders, to sell Shares to the Company.

No connected person of the Company (as defined in the Listing Rules of the Stock Exchange) has notified the Company that he has a present intention to sell Shares to the Company nor has he undertaken not to sell any of the Shares held by him to the Company in the event that the Company is authorised to make purchases of Shares.

Undertaking of the directors

The directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases pursuant to the proposed resolution in accordance with the Listing Rules of the Stock Exchange and all applicable laws of Bermuda, and in accordance with the regulations set out in the Memorandum of Association and Bye laws of the Company.

Effect of Takeovers Code

A repurchase of Shares by the Company may result in an increase in the proportionate interests of a substantial shareholder of the Company in the voting rights of the Company, which could give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Hong Kong Code on Takeovers and Mergers (the "Code").

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, I, Yeung Ming Biu (the Chairman of the Company), together with my associates, held approximately 35.28 per cent. of the issued share capital of the Company and was the only substantial shareholder holding more than 10 per cent. of the issued share capital of the Company. In the event that the directors should exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the resolution, my shareholding (together with my associates) in the Company would be increased to approximately 39.20 per cent. of the issued share capital of the Company and such increase would give rise to an obligation to make a mandatory offer under Rule 26 of the Code.

Stock Exchange Rules for repurchases of securities

The Listing Rules of the Stock Exchange permit companies whose primary listings are on the Stock Exchange to repurchase their securities on the Stock Exchange subject to certain restrictions, the most important of which are summarised below:

(a) Shareholders' approval

The Listing Rules provide that all securities repurchases on the Stock Exchange by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, which may be by way of general mandate, or by special resolution in relation to specific transactions.

(b) Source of funds

Repurchases must be funded out of funds legally available for the purpose, including capital paid up on the Shares to be repurchased, funds of the Company otherwise available for dividend or distribution and in the case of any premium payable on repurchase, out of funds of the Company that would otherwise available for dividend or distribution or sums standing to the share premium account of the Company.

General

During each of the six months preceding the date of this circular, no securities had been repurchased by the Company.

During each of the previous 12 months, the highest and lowest traded prices for Shares on the Stock Exchange were as follows:

Month	Per Share Highest	Lowest
	HK$	*HK$*
2008		
July	3.15	2.80
August	2.78	2.20
September	2.35	1.70
October	1.98	0.81
November	1.20	0.80
December	1.17	0.82
2009		
January	1.28	0.93
February	1.02	0.84
March	1.05	0.84
April	1.25	0.98
May	1.69	1.12
June	1.74	1.44
July (up to the Latest Practicable Date)	1.76	1.42

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 21st August, 2009 to 26th August, 2009, both dates inclusive, in order to determine entitlements to the final dividend for the year ended 31st March, 2009 and the proposed Bonus Issue. To qualify for the said final dividend and Bonus Issue, all transfers of Shares accompanied by the relevant share certificates and, in the case of holders of Warrants, all duly completed subscription forms accompanied by the relevant certificates of Warrants and the appropriate subscription money must be lodged with the Share Registrar at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 20th August, 2009.

AMENDMENT OF BYE-LAWS

It is proposed to amend the Company's Bye-laws to update the provisions relating to service of documents on shareholders by deleting the existing provisions of Bye-laws 160, 161 and 162(1) of the Bye-laws of the Company and replacing them by the following:

"160. Any Notice or document (including any "corporate communication" within the meaning ascribed thereto under the rules of the Designated Stock Exchange), whether or not, to be given or issued under these Bye-laws from the Company to a Member shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or communication and any such Notice and document may be served or delivered by the Company on or to any Member by any of the following means:

(a) personally or by sending it through the post in a prepaid envelope addressed to such Member at his registered address as appearing in the Register or at any other address supplied by him to the Company for the purpose; or

(b) by transmitting it to any telex or facsimile transmission number or electronic number or address or website supplied by him to the Company for the giving of Notice to him or which the person transmitting the Notice reasonably and bona fide believes at the relevant time will result in the Notice being duly received by the Member; or

(c) by advertisement in one Chinese language newspaper and one English language newspaper in Hong Kong; or

(d) to the extent permitted by the applicable laws, by placing it on the Company's website or the website of the Designated Stock Exchange provided all the pre-conditions and requirements of the Designated Stock Exchange have been complied with, including, if required, giving to the Member a notice stating that the Notice or other document is available there (a "notice of availability"). The notice of availability may be given to the Member by any of the means set out above.

In the case of joint holders of a share all Notices or documents shall be given or issued to that one of the joint holders whose name stands first in the Register and Notice or document so given or issued shall be deemed a sufficient service on or delivery to all the joint holders.

161. Any Notice or other document:

(a) if served or delivered by post, shall where appropriate be sent by airmail and shall be deemed to have been served or delivered on the day following that on which the envelope containing the same, properly prepaid and addressed, is put into the post; in proving such service or delivery it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly addressed and put into the post and a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board that the envelope or wrapper containing the notice or other document was so addressed and put into the post shall be conclusive evidence thereof;

(b) If sent by electronic communication, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent. A notice placed on the Company's website or the website of the Designated Stock Exchange is deemed given by the Company to a Member on the day following that on which a notice of availability is deemed served on the Member;

(c) if served or delivered in any other manner contemplated by these Bye-laws, shall be deemed to have been served or delivered at the time of personal service or delivery or, as the case may be, at the time of the relevant despatch, transmission or publication; and in proving such service or delivery a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board as to the act and time of such service, delivery, despatch, transmission or publication shall be conclusive evidence thereof; and

(d) may be given to a Member either in the English language or the Chinese language, subject to due compliance with all applicable Statutes, rules and regulations.

162. (1) Any Notice or other document delivered or sent to a Member in pursuance of these Bye-laws shall, notwithstanding that such Member is then dead or bankrupt or that any other event has occurred, and whether or not the Company has notice of the death or bankruptcy or other event, be deemed to have been duly served or delivered in respect of any share registered in the name of such Member as sole or joint holder unless his name shall, at the time of the service or delivery of the notice or document, have been removed from the Register as the holder of the share, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such Notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share."

The effects of the above proposed amendments to the Company's Bye-laws are as follows:

1. in Bye-law 160, the reference to advertisement of documents in newspapers in accordance with the requirement of the Stock Exchange is deleted to reflect the change in publication requirements under the Listing Rules, and advertisement in one Chinese language newspaper and one English language newspapers in Hong Kong is added as a means of service of any notice or document to shareholders;

2. in Bye-law 160, compliance of all pre-conditions and requirements of the Stock Exchange is required for the Company's use of the website of the Company or the website of the Stock Exchange as a means of service of any notice or document to shareholders;

3. the provisions of Bye-law 161 are re-arranged to make clear when a notice or document is deemed served or delivered to shareholders by means other than post or electronic communication; and

4. in Bye-law 162(1), the reference to delivery of a notice or other document by "post to or left at the registered address of any member" is deleted as delivery of a notice or other document to shareholders may be by other means specified in Bye-law 160.

ANNUAL GENERAL MEETING

You will find on pages 13 to 16 of this circular a notice of the AGM to be held at 3:30 p.m. on 26th August, 2009 at Gloucester Room, 2nd Floor, Mandarin Oriental Hong Kong, 5 Connaught Road, Central, Hong Kong. Voting at the AGM will be taken by poll.

Resolution no. 5A will be proposed as an ordinary resolution to give a general mandate to the directors to allot, issue and deal with Shares with an aggregate nominal value not exceeding 20 per cent. of the share capital of the Company in issue as at the date of the resolution.

Resolution no. 5B will be proposed as an ordinary resolution to give a general mandate to the directors to make on-market purchases of securities of the Company of up to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of the resolution.

Resolution no. 5C will be proposed as an ordinary resolution to extend resolution no. 5A to include the aggregate nominal amount of the number of shares in the capital of the Company which are repurchased by the Company under the authority granted to the directors pursuant to resolution no. 5B.

Resolution no. 5D will be proposed as an ordinary resolution to approve an increase in the authorised share capital of the Company from HK$50 million to HK$100 million and the proposed Bonus Issue.

Resolution no. 5E will be proposed as a special resolution to approve the proposed amendment of the Bye-laws of the Company.

There is enclosed a form of proxy for use at the AGM. You are requested to complete the form of proxy and return it to the principal office of the Company in accordance with the instructions printed thereon not less than 48 hours before the time fixed for holding the meeting, whether or not you intend to be present at the meeting. The completion and return of the form of proxy will not prevent you from attending and voting in person should you so wish.

RE-ELECTION OF DIRECTORS

Resolutions will be proposed at the AGM for re-election of Mr. Yeung Ming Biu, Mr. Yeung Him Kit, Dennis, Madam Yeung Man Yee, Shirley and Mr. Choi Man Chau, Michael as directors according to the Company's Bye laws. Their particulars are as follows:

Mr. Yeung Ming Biu, aged 73, a co-founder of the Company and its subsidiaries (the "Group"), is the Chairman and an executive director of the Company. He has over 57 years' experience in the watch business and is a Permanent Honorary Director of The Federation of Hong Kong Watch Trades and Industries Limited.

Mr. Yeung Him Kit, Dennis, aged 40, joined the Group in 1993 and has been the Managing Director of the Company since March 2003. He holds a bachelor degree in commerce from the University of Toronto, Canada. He is a son of Mr. Yeung Ming Biu.

Madam Yeung Man Yee, Shirley, aged 47, is an executive director of the Company who joined the Group in 1991. She received a higher diploma in business studies and diploma in watch and jewellery management from North Herts College in the United Kingdom and CFH Institute in Switzerland respectively. Madam Yeung is a daughter of Mr. Yeung Ming Biu.

Mr. Choi Man Chau, Michael, aged 52, is a fellow member of the Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants. He is a Certified Public Accountant (practising) and has been practising public accountancy in Hong Kong for over 20 years. Mr. Choi is also an independent non-executive director of Dynamic Energy Holdings Limited (stock code: 578) and Hunan Nonferrous Metals Corporation Limited (stock code: 2626), both listed on the Main Board of the Stock Exchange. He was formerly an independent non-executive director of Hong Kong Energy (Holdings) Limited (stock code: 987) from 11th May, 2007 to 10th April, 2008, and Nam Tai Electronic & Electrical Products Limited (stock code: 2633) from 5th May, 2008 to 24th April, 2009, both listed on the Main Board of the Stock Exchange.

Mr. Choi has a service contract with the Company. He receives a director's fee of HK$180,000 per annum, which is determined with reference to the prevailing range of fees for independent non-executive directors of listed companies in Hong Kong.

Mr. Yeung Ming Biu, Mr. Yeung Him Kit, Dennis and Madam Yeung Man Yee, Shirley receive basic monthly salaries of HK$250,000, HK$261,553 and HK$50,000 respectively, and each of them is entitled to a discretionary year end bonus. Such directors' emoluments are determined with reference to the results of the Group and their respective performance. They do not have any service contract with the Company.

Mr. Yeung Ming Biu was interested in a total of 116,751,625 Shares (comprising personal interest in 13,657,260 Shares (including an option to subscribe for 2,700,000 Shares during the period from 16th January, 2004 to 15th January, 2014 at the price of HK$1.702 per Share), family interest in 6,000,000 Shares and corporate interest in 97,094,365 Shares) within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") as at the Latest Practicable Date.

As at the Latest Practicable Date, each of Mr. Yeung Him Kit, Dennis and Madam Yeung Man Yee, Shirley held an option to subscribe for 2,700,000 Shares during the period from 16th January, 2004 to 15th January, 2014 at the price of HK$1.702 per Share.

The above named directors are not appointed for a specific term but are subject to retirement by rotation in annual general meetings of the Company in accordance with the Bye-laws of the Company.

Save as disclosed above, the above named directors confirm:

(a) they have no relationships with any directors, senior management or substantial or controlling shareholders of the Company;

(b) they have no interests in shares of the Company within the meaning of Part XV of the SFO; and

(c) there is no information which is required to be disclosed pursuant to Rule 13.5(2) of the Listing Rules or any other matter that need to be brought to the attention of shareholders of the Company.

RECOMMENDATION

The directors consider that the proposals are in the best interest of the Company and the shareholders and so recommend shareholders to vote in favour of all the relevant resolutions to be proposed at the AGM. The directors intend to vote in favour of all such resolutions in respect of their shareholdings in the Company.

DOCUMENT AVAILABLE FOR INSPECTION

A copy of the Companies Act 1981 of Bermuda will be available for inspection at the offices of Jennifer Cheung & Co. at Unit A, 19th Floor, Two Chinachem Plaza, 68 Connaught Road Central, Hong Kong during normal business hours up to and including 11th August, 2009.

Yours faithfully,
By order of the Board
Yeung Ming Biu
Chairman

ORIENTAL WATCH HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 398)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of the abovenamed company (the "Company") will be held at Gloucester Room, 2nd Floor, Mandarin Oriental Hong Kong, 5 Connaught Road, Central, Hong Kong on 26th August, 2009 at 3:30 p.m. for the following purposes:

1. To receive and consider the audited financial statements and the reports of the directors and auditors for the year ended 31st March, 2009.

2. To declare a final dividend of 3.5 Hong Kong cents per share for the year ended 31st March, 2009.

3. To elect directors and to authorise the board of directors to fix their remuneration.

4. To appoint auditors and to authorise the board of directors to fix their remuneration.

5. As special business, to consider and, if thought fit, pass the following resolutions, of which resolution nos. 5A, 5B, 5C and 5D will be proposed as ordinary resolutions and resolution no. 5E will be proposed as a special resolution:

ORDINARY RESOLUTIONS

A. "**THAT**:

(a) subject to paragraph (c) of this resolution, the exercise by the directors of the Company during the Relevant Period of all powers of the Company to allot shares and to make and grant offers, agreements and options which would or might require shares to be allotted be and is hereby generally and unconditionally approved;

(b) the approval in paragraph (a) shall authorise the directors of the Company during the Relevant Period to make and grant offers, agreements and options which would or might require shares to be allotted 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), otherwise than pursuant to shares issued as a result of a Rights Issue or a scrip dividend scheme or similar arrangement of the Company or the exercise of the subscription rights under the warrants or the share option scheme of the Company, 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 this resolution and the said approval shall be limited accordingly;

(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 law to be held; and

(iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

"Rights Issue" means an offer of shares open for a period fixed by the directors of the Company to holders of shares on the register 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 legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory)."

B. "**THAT**:

(a) The exercise by the directors of the Company during the Relevant Period of all powers of the Company to purchase its own shares, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;

(b) the aggregate nominal amount of shares of the Company purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period 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 this resolution and the said approval 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 law to be held; and

(iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting."

C. "**THAT** conditional upon resolution no. 5B above being passed, the aggregate nominal amount of the number of shares in the capital of the Company which are repurchased by the Company under the authority granted to the directors of the Company as mentioned in resolution no. 5B 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 no. 5A above."

D. "**THAT**:

(a) the authorised share capital of the Company be and is hereby increased from HK$50 million to HK$100 million by the creation of 500 million shares of HK$0.10 each ("Shares"); and

(b) a sum equal to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on 26th August, 2009 (the "Record Date") being part of the amount now standing to the credit of the retained profit of the Company be capitalised and the directors of the Company be and are hereby authorised to apply such sum in paying up in full at par such number of Shares in the capital of the Company equal to 10 per cent. of the number of Shares in issue on the Record Date, to be allotted and distributed, credited as fully paid to and among the shareholders of the Company on the register of members on the Record Date on the basis set out in a circular of the Company dated 28th July, 2009, a copy of which has been submitted to the meeting and signed by the Chairman for identification, and the directors of the Company be and they are hereby authorised to give effect to such capitalisation and distribution."

SPECIAL RESOLUTION

E. "**THAT** the existing Bye-laws of the Company be and are hereby amended in the manner set out in the section headed "Amendment of Bye-laws" in the circular of the Company dated 28th July, 2009 (a copy of which section has been submitted to the meeting and signed by the Chairman of the meeting for the purpose of identification)."

By Order of the Board,
Lam Hing Lun, Alain
Secretary

Hong Kong, 28th July, 2009

Principal office:
Room 312-8
China Insurance Group Building
141 Des Voeux Road Central
Hong Kong

Notes:

1. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint proxies to attend and vote in his stead. A proxy need not be a member of the Company. In order to be valid, a form of proxy must be deposited at the Company's principal office together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority, not less than 48 hours before the time for holding the meeting or adjourned meeting.

2. The register of members of the Company will be closed from 21st August, 2009 to 26th August, 2009, both dates inclusive, in order to determine entitlements to the proposed final dividend for the year ended 31st March, 2009 and the bonus issue. To qualify for the said final dividend and bonus issue, all transfers of shares accompanied by the relevant share certificates and, in the case of holders of warrants, all duly completed subscription forms accompanied by the relevant certificates of warrants and the appropriate subscription money must be lodged with Tricor Secretaries Limited, the branch share registrar of the Company in Hong Kong, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 20th August, 2009.