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**K. WAH INTERNATIONAL HOLDINGS LIMITED**  
**嘉華國際集團有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 173)**

## **NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the annual general meeting (“**AGM**”) of K. Wah International Holdings Limited (“**Company**”) will be held at Picasso Room, Basement 1, InterContinental Grand Stanford Hong Kong, 70 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Monday, 20 June 2011 at 11:00 a.m. for the following purposes:

1. To receive and adopt the audited financial statements and the reports of the directors and the independent auditor for the year ended 31 December 2010 of the Company.
2. To declare a final dividend for the year ended 31 December 2010.
3. To elect directors and fix the directors’ remuneration.
4. To re-appoint auditor and to authorise the directors to fix its remuneration.
5. As special business, to consider and, if thought fit, pass with or without modifications the following resolutions as ordinary resolutions of the Company:

### **5.1 “THAT**

- (a) subject to paragraph (b) of this resolution no. 5.1, a general and unconditional mandate be and is hereby granted to the directors of the Company (“**Directors**”) to exercise all the powers of the Company to repurchase or otherwise acquire, on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) or on any other stock exchange on which the securities of the Company are or may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, shares in the capital of the Company including any form of depositary receipt representing the right to receive such shares issued by the Company, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time;

(b) the aggregate nominal amount of shares of the Company which may be repurchased or otherwise acquired by the Company pursuant to the approval in paragraph (a) of this resolution no. 5.1 above during the Relevant Period (as hereinafter defined) 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 the passing of this resolution no. 5.1, and the said mandate shall be limited accordingly; and

(c) for the purpose of this resolution no. 5.1:

“Relevant Period” means the period from (and including) the date of the passing of this resolution no. 5.1 until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable law to be held; or
- (iii) the revocation or variation of the authority given under this resolution no. 5.1 by the passing of an ordinary resolution by the shareholders of the Company in general meeting.”

## 5.2 “**THAT**

- (a) subject to paragraphs (b) and (c) of this resolution no. 5.2, a general and unconditional mandate be and is hereby granted to the Directors to exercise during the Relevant Period (as hereinafter defined) all the powers of the Company to allot, issue and otherwise deal with additional shares in the capital of the Company and to make or grant offers, agreements, warrants and options which would require the exercise of such powers;
- (b) the mandate in paragraph (a) of this resolution no. 5.2 above shall authorise the Directors during the Relevant Period (as hereinafter defined) to make or grant offers, agreements, warrants and options which might require the exercise of such powers after the end of the Relevant Period (as hereinafter defined);

- (c) the aggregate nominal amount of shares of the Company allotted, issued or otherwise dealt with, or agreed conditionally or unconditionally to be allotted, issued or otherwise dealt with, (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this resolution no. 5.2 above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) the exercise of rights of subscription or conversion under the terms of any securities which are convertible into shares of the Company; or (iii) any share option scheme or similar arrangement for the time being adopted by the Company for the grant or issue of shares of the Company or rights to acquire shares of the Company; or (iv) any scrip dividend or similar arrangement providing for the allotment and issue of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the bye-laws of the Company; or (v) a specific authority granted by the shareholders of the Company in general meeting, shall not exceed twenty per cent. (20%) of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution no. 5.2, and the said mandate shall be limited accordingly; and
- (d) for the purpose of this resolution no. 5.2:

“Relevant Period” means the period from (and including) the date of the passing of this resolution no. 5.2 until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable law to be held; or
- (iii) the revocation or variation of the authority given under this resolution no. 5.2 by the passing of an ordinary resolution by the shareholders of the Company in general meeting, and

“Rights Issue” means an offer of shares in the Company, or an offer of warrants, options or other securities which carry the rights to subscribe for or purchase shares of the Company, open for a period fixed by the Directors to holders of shares of the Company on the registers of members of the Company (and, where appropriate, to holders of other securities entitled to the offer) on a fixed record date in proportion to their then holdings of such shares of the Company (or, where appropriate, such other securities) (subject in all cases to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory outside Hong Kong).”

- 5.3 “**THAT** conditional upon the passing of resolutions no. 5.1 and no. 5.2 set out in the notice of this meeting, the general mandate granted to the Directors pursuant to resolution no. 5.2 set out in the notice of this meeting and for the time being in force to exercise the powers of the Company to allot, issue and otherwise deal with additional shares in the capital of the Company and to make or grant offers, agreements, warrants and options be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the shares of the Company repurchased or otherwise acquired by the Company under the authority granted pursuant to resolution no. 5.1 set out in the notice of this meeting, provided that such extended amount 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 the passing of this resolution.”
6. As special business, to consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“**THAT** conditional upon the Stock Exchange granting approval of the listing of and permission to deal in the shares of the Company falling to be allotted and issued pursuant to the exercise of any options granted under the share option scheme referred to in the circular despatched to the shareholders of the Company on the same day as this notice, the terms of which are set out in the printed document marked “A” now produced to this meeting and for the purpose of identification signed by the chairman hereof (“**New Scheme**”), the New Scheme be and is hereby approved and adopted to be the share option scheme for the Company and that the Directors of the Company be authorised to take all such steps as may be necessary or desirable to implement such New Scheme and to grant options thereunder and to allot and issue shares pursuant to the New Scheme, and the existing share option scheme for the employees, senior executives and Directors of the Company and its subsidiaries which was adopted by the Company at its general meeting on 30 May 2002 (“**Existing Scheme**”) be terminated with effect from the date on which such resolution shall become unconditional, such that thereafter no further options shall be offered or granted under the Existing Scheme, but the options which have already been granted and remain outstanding shall remain valid and exercisable in accordance with their terms of issue.”

By Order of the Board of  
**K. Wah International Holdings Limited**  
**Lee Wai Kwan, Cecilia**  
*Company Secretary*

Hong Kong, 21 April 2011

Notes:

- (i) Shareholder entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend and, on a poll, vote on his/her behalf. A proxy needs not be a shareholder of the Company.
- (ii) Where there are joint holders of any share, any one of such persons may vote at the AGM, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the AGM personally or by proxy, then one of the said persons so present whose name stands first on the registers of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
- (iii) To be valid, the proxy form and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of authority must be deposited at the principal place of business of the Company in Hong Kong at 29th Floor, K. Wah Centre, 191 Java Road, North Point, Hong Kong (for the attention of the company secretary of the Company) not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the proxy form shall not preclude a shareholder from attending and voting in person at the AGM or any adjourned meeting thereof should he/she so wish.
- (iv) With regard to agenda item 2 above, the board of directors of the Company (“**Board**”) has recommended a final cash dividend of 1 HK cent per share.
- (v) The registers of members of the Company will be closed from 14 June 2011 to 20 June 2011 (both dates inclusive) during which period no share transfer will be registered. In order to qualify for attending and voting at the AGM and the proposed final cash dividend, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrars, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 13 June 2011 for registration.
- (vi) With regard to agenda item 3 above, Mr. Francis Lui Yiu Tung, Ms. Claudia Cheung Man Wan and Mr. Robert George Nield will retire and stand for re-election at the AGM. Their biographical details are set out in Appendix I to the circular dated 21 April 2011 issued by the Company to shareholders. The Board recommends the re-election of all the retiring Directors, and re-election of each of the retiring Directors will be voted on individually by a separate resolution.
- (vii) Also, with regard to agenda item 3 above, the remuneration payable to the Directors who serve on the Board and the audit committee (“**Audit Committee**”) and the remuneration committee (“**Remuneration Committee**”) of the Company for the year ended 31 December 2010, and for each financial year afterwards until the Company in next or subsequent general meeting otherwise determines, will be at the levels as shown in the table below. Such remuneration payable to the Directors will be calculated, if applicable, on a pro rata basis by reference to the actual number of days in office in the relevant financial year.

**Fee for Director acting as such  
for the year ended 31 December 2010  
(and for subsequent financial years until  
otherwise determined)**

	<b>Chairman</b>	<b>Member</b>
	<i>HK\$</i>	<i>HK\$</i>
The Board	160,000	130,000
Audit Committee	120,000	100,000
Remuneration Committee	60,000	50,000

- (viii) With regard to agenda item 4 above regarding the authorization for the Directors to fix auditor's remuneration, shareholders are advised that, in practice, auditor's remuneration for the year ending 31 December 2011 cannot be determined at the beginning of the year because such remuneration will vary by reference to the scope and extent of audit and other work performed in the year. In order to be able to charge the amount of auditor's remuneration as operating expenses for the year ending 31 December 2011, shareholders' approval to delegate the authority to the Directors to fix the auditor's remuneration is required, and is hereby sought, at the AGM.
- (ix) With regard to agenda item 5 above, shareholders are advised that, at present, the Directors do not have any immediate plans to issue any new shares or repurchase any existing shares of the Company pursuant to the general mandates referred therein. However, the Directors believe that it is in the interest of the Company and its shareholders to grant such general mandates to the Directors to enable them to issue and repurchase shares. Shareholders' attention is also drawn to the explanatory statement on the proposed repurchase mandate in Appendix II to the circular dated 21 April 2011 issued by the Company to shareholders.
- (ix) With regard to agenda item 6 above, shareholders are advised that the Directors do not have any immediate intention to grant any options under the Existing Scheme before the date of AGM. The Existing Scheme will soon expire in 2012. In order to enable the continuity of the Company's share option scheme, shareholder's approval to adopt the New Scheme and to replace the Existing Scheme is required, and is hereby sought at the AGM. The principal terms of the New Scheme are set out in Appendix III to the circular dated 21 April 2011 issued by the Company to shareholders.

*As at the date of this notice, the Executive Directors are Dr. Che-woo Lui (Chairman & Managing Director), Mr. Francis Lui Yiu Tung, Ms. Paddy Tang Lui Wai Yu, Mr. Alexander Lui Yiu Wah and Ms. Claudia Cheung Man Wan; the Non-executive Director is Dr. Moses Cheng Mo Chi; and the Independent Non-executive Directors are Dr. Robin Chan Yau Hing, Mr. Robert George Nield, Dr. William Yip Shue Lam and Professor Poon Chung Kwong.*

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