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DAN FORM HOLDINGS COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 271)

BONUS ISSUE OF SHARES

The Board proposes to make the Bonus Issue to Qualifying Shareholders on the basis of one Bonus Share for every ten existing Shares held on the Record Date. The Bonus Issue is conditional upon approval by the Shareholders at the EGM and the Stock Exchange granting listing of and permission to deal in the Bonus Shares. An application will be made to the Stock Exchange in this respect.

The Bonus Shares will be issued and credited as fully paid upon issue and will rank *pari passu* with the existing Shares with effect from the date of issue. The Bonus Issue will be funded by way of capitalization of at least HK\$56,695,406.50 from the Company's share premium account. Fractional entitlements will not be distributed but will be aggregated, rounded down to the nearest whole number and sold for the benefit of the Company. On the basis of 1,133,908,132 Shares in issue as at the date of this announcement and assuming no further Shares will be issued or repurchased from the date hereof until the Record Date, not less than 113,390,813 Bonus Shares will be issued in respect thereto.

A circular containing, among other things, further information on the Bonus Issue together with the notice of EGM will be despatched to the Shareholders as soon as possible.

PROPOSED BONUS ISSUE

The Board announces that it has resolved to propose the Bonus Issue to the Shareholders on the basis of one Bonus Share for every ten Shares held by the Qualifying Shareholders on the Record Date, subject to the conditions detailed below.

The proposed Bonus Shares will be issued and credited as fully paid and will rank *pari passu* with the existing Shares with effect from the date of issue. It is proposed that the Directors be authorized to capitalize a sum of not less than HK\$56,695,406.50 standing to the credit of the Company's share premium account and apply such sum in paying up the Bonus Shares in full. Fractional entitlements will not be distributed but will be aggregated, rounded down to the nearest whole number and sold for the benefit of the Company. On the basis of 1,133,908,132 Shares in issue as at the date of this announcement and assuming no further Shares will be issued or repurchased from the date hereof until the Record Date, not less than 113,390,813 Bonus Shares will be issued pursuant to the Bonus Issue.

REASONS FOR THE BONUS ISSUE

Measures for the alignment of the Group's business in these few years have taken effect and the overall condition of the Group's business has been enhanced and the ability of the Group to resist risks has also been strengthened. The Board believes that the Bonus Issue is a reward to recognize the continual support of the Shareholders by allowing them to participate in the business growth of the Company by way of the Bonus Issue. In addition, the Bonus Issue can also rectify the problem arising from the Company's recent repurchase of Shares, as set out in the Company's announcement dated 13 May 2009. After completion of the Bonus Issue and assuming there will be no further issue or repurchase of Shares up to the date of completion of the Bonus Issue, the issued share capital of the Company will be increased to at least HK\$623,649,472.50, which is higher than the level immediately prior to the repurchase of Shares at HK\$567,803,066. Therefore, the Board proposes a bonus issue of Shares on the basis of one Bonus Share for every ten Shares held by the Shareholders.

If the resolution relating to the Bonus Issue is not passed at the EGM, the Company will explore other legal means to reinstate the issued share capital of the Company to the level immediately before the repurchase of Shares before the end of 2009.

CONDITIONS OF THE BONUS ISSUE

The Bonus Issue is conditional upon:

- (i) the Shareholders passing an ordinary resolution at the EGM to approve the allotment and issue of the Bonus Shares pursuant to the Bonus Issue; and
- (ii) the Listing Committee granting listing of, and permission to deal in the Bonus Shares.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from Friday, 10 July 2009 to Tuesday, 14 July 2009, both days inclusive, for the purpose of determining entitlements of the Shareholders under the Bonus Issue. In order to qualify for the Bonus Issue, all transfer of Shares accompanied by the relevant share certificates must be lodged with the Registrars no later than 4:30 p.m. on Thursday, 9 July 2009.

OVERSEAS SHAREHOLDERS

As at the date of this announcement, the Company has certain Shareholders whose addresses as shown on the Register of Members are located in a number of places outside Hong Kong.

Overseas Shareholders will not be allotted the Bonus Shares if the Directors consider such exclusion to be necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place.

Instead, the Bonus Shares otherwise falling to be allotted to them would be sold in the market as soon as practicable after dealings in the Bonus Shares commence. Any net proceeds of such sale for each Overseas Shareholder, after deduction of expenses, of HK\$100 or more

will be distributed in Hong Kong dollars to the relevant Overseas Shareholder, by post at their own risk, unless the amount falling to be distributed to any such person is less than HK\$100, in which case it will be retained for the benefit of the Company.

LISTING AND DEALING

If approved by the Shareholders at the EGM, the Bonus Shares will be issued on or before Wednesday, 22 July 2009. Application will be made to the Listing Committee for the listing of, and permission to deal in, the Bonus Shares to be issued pursuant to the Bonus Issue. The Bonus Shares will not be listed or dealt in on any other stock exchange nor is listing or permission to deal in the same being or proposed to be sought from any other stock exchanges.

Subject to the satisfaction of the above conditions, it is expected that the dealings of the Bonus Shares on the Stock Exchange will commence on Friday, 24 July 2009.

The Bonus Shares will be distributed to the Qualifying Shareholders whose names appear on the Register of Members on the Record Date. In the absence of any specific instruction to the contrary received in writing by the Registrars, certificates for the Bonus Shares will be posted to the persons entitled thereto at their respective addresses shown in the Register of Members. Certificates for the Bonus Shares are expected to be despatched to the Qualifying Shareholders on or before Wednesday, 22 July 2009.

GENERAL

A circular containing details of the Bonus Issue and the notice of EGM will be despatched to Shareholders as soon as possible.

DEFINITIONS

In this announcement, unless otherwise defined, the following words shall have the following meaning:

“Board”	the board of Directors or a duly authorized committee thereof for the time being, including the independent non-executive Directors;
“Bonus Issue”	the proposed bonus issue of the Bonus Shares to the Qualifying Shareholders whose names appear on the Register of Members on the Record Date on the basis of one Bonus Share for every ten existing Shares held on that date;
“Bonus Share(s)”	new Share(s) proposed to be allotted and issued pursuant to the Bonus Issue;
“Company”	Dan Form Holdings Company Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange (Stock Code: 271);

“Director(s)”	the director(s) of the Company for the time being;
“EGM”	the extraordinary general meeting of the Company to be held at Meeting Room S428, Level 4, Hong Kong Convention and Exhibition Centre, 1 Harbour Road, Wanchai, Hong Kong, on Tuesday, 14 July 2009 at 3:00 p.m. to consider and if thought fit, to approve the Bonus Issue;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Listing Committee”	the listing committee of the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Overseas Shareholders”	holders of Shares whose addresses as shown on the Register of Members on the Record Date are outside Hong Kong;
“Qualifying Shareholder(s)”	the Shareholder(s) who are entitled to the Bonus Issue, other than those Overseas Shareholder(s) to whom or which the Board, after making enquiries pursuant to Rule 13.36 of the Listing Rules, considers it necessary or expedient on account either of legal restrictions of the relevant body or stock exchange in that place, not to extend the Bonus Shares:
“Record Date”	Tuesday, 14 July 2009, being the record date for the determination of entitlements to the Bonus Issue;
“Register of Members”	the register of members of the Company maintained in Hong Kong;
“Registrars”	the share registrars of the Company, Tricor Tengis Limited of 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong;
“Share(s)”	ordinary share(s) of HK\$0.50 each in the share capital of the Company (or of such other nominal amount as shall result from a sub-division, consolidation, reclassification or reconstruction of the share capital of the Company from time to time);
“Shareholder(s)”	registered holder(s) of Share(s); and
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.

By order of the Board
Dai Xiaoming
Chairman and Chief Executive

Hong Kong, 18 June 2009

As at the date hereof, the Board comprises of five Directors, of whom two are executive Directors, namely Mr. Dai Xiaoming and Mr. Kenneth Hiu King Kon; and three are Independent non-executive Directors, namely Mr. Jesse Nai Chau Leung, Mr. Xiang Bing and Mr. Edward Shen.