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

If you have sold or transferred all your shares in Dan Form Holdings Company Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**DAN FORM HOLDINGS COMPANY LIMITED**

(Incorporated in Hong Kong with limited liability)

(Stock Code: 271)

**PROPOSAL FOR
BONUS ISSUE OF SHARES
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening the EGM 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. is set out on pages 9 to 10 of this circular.

Whether or not you intend to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company at its registered office in Hong Kong at Room 901-903 Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the EGM or any adjustment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjourned meeting should you so wish.

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DEFINITIONS

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

“Board”	the board of directors of the Company (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 name 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)”	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;
“EGM Notice”	the notice convening the EGM as set out on pages 9 to 10 of this circular;
“Group”	the Company and its subsidiaries from time to time;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Latest Practicable Date”	Wednesday, 24 June 2009, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular;
“Listing Committee”	the listing committee of the Stock Exchange;

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Macau”	the Macau Special Administrative Region of the People’s Republic of China;
“Ordinary Resolution”	the proposed ordinary resolution in respect of the matters referred to in the EGM Notice;
“Overseas Shareholders”	holders of Shares whose addresses as shown on the Register of Members on the Record Date are outside Hong Kong;
“PRC”	the People’s Republic of China (for the purpose of this circular, excluding Hong Kong, Macau and Taiwan);
“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 under the laws of the relevant place or the requirements 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 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;
“Shareholder(s)”	registered holder(s) of Share(s);
“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);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“USA”	United States of America.

LETTER FROM THE BOARD



DAN FORM HOLDINGS COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 271)

Executive Directors:

Dai Xiaoming (Chairman and Chief Executive)

Kenneth Hiu King Kon (Deputy Chief Executive)

Independent Non-executive Directors:

Jesse Nai Chau Leung

Xiang Bing

Edward Shen

Registered Office:

Room 901-903,
Harbour Centre,
25 Harbour Road,
Wanchai,
Hong Kong.

26 June 2009

To the Shareholders

Dear Sir or Madam,

**PROPOSAL FOR
BONUS ISSUE OF SHARES
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

1. INTRODUCTION

Reference is made to the announcement of the Company dated 18 June 2009 in relation to the Bonus Issue. The purpose of this circular is to provide you with information regarding the Bonus Issue, to give you the EGM Notice, and to seek your approval of the resolution relating to the Bonus Issue at the EGM.

2. PROPOSED BONUS ISSUE OF SHARES

Subject to the conditions set out under the heading “Conditions of the Bonus Issue” below, the Directors have recommended a bonus issue of one Bonus Share for every ten existing Shares held by the Shareholders whose names appear on the Register of Members on the Record Date. Shareholders should note that the Bonus Shares to be issued pursuant to the Bonus Issue will rank *pari passu* in all respects with the existing Shares, including the entitlements to receive dividends and other distributions the record date for which is on or after the date of allotment and issue of the Bonus Shares. As at the Latest Practicable Date, 1,133,908,132 Shares were issued. On the basis that no further Shares will be issued or repurchased on or before Tuesday, 14 July 2009, being the date of the EGM and the Record

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Date, not less than 113,390,813 Bonus Shares will be issued under the Bonus Issue and the amount of not less than HK\$56,695,406.50 standing to the credit of Company's share premium account will be capitalized and will then be applied in paying up in full at par for not less than 113,390,813 Bonus Shares. Fractional entitlements to the Bonus Shares will not be issued to Shareholders but will be aggregated, rounded down to the nearest whole number and sold for the benefit of the Company.

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 restore the level of issued share capital of the Company which was reduced as a result of 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. The interest of the creditors of the Company would remain unaffected by virtue of the fact that the issued share capital of the Company has been restored. 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.

Record Date and closure of Register of Members

The Bonus Shares will be issued to the Qualifying Shareholders. Arrangements for Overseas Shareholders are elaborated below under the paragraph headed "Overseas Shareholders".

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 must be duly completed, accompanied by the relevant share certificates and lodged with the Registrars, Tricor Tengis Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Thursday, 9 July 2009.

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Expected timetable for the implementation of the Bonus Issue is set out below:

Last day of dealings in Shares on a cum entitlement basis to the Bonus Issue	Tuesday, 7 July 2009
Latest time for lodging transfers for the entitlements to the Bonus Issue	4:30 p.m. Thursday, 9 July 2009
Closure of Register of Members (both dates inclusive)	Friday, 10 July 2009 to Tuesday, 14 July 2009
Latest time for lodging forms of proxy for the EGM	3:00 p.m. Sunday, 12 July 2009
EGM	3:00 p.m. Tuesday, 14 July 2009
Record Date	Tuesday, 14 July 2009
Despatch of certificates for the Bonus Shares	on or before Wednesday, 22 July 2009
Commencement of dealings in the Bonus Shares on the Stock Exchange	Friday, 24 July 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.

Listing and dealing

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. It is expected that the dealings in the Bonus Shares on the Stock Exchange will commence on Friday, 24 July 2009.

The Shares are listed on and dealt in on the Stock Exchange only. There is no equity or debt securities of the Company being listed or dealt in on any other stock exchange nor is listing or permission to deal in such securities on any other stock exchange being or proposed to be sought.

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Overseas Shareholders

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 of the registered address of the Overseas Shareholders or the requirements of the relevant regulatory body or stock exchange in that place. In such circumstances, arrangements will be made for the Bonus Shares which would otherwise have been issued to the Overseas Shareholders, if any, to be sold in the market as soon as practicable after dealings in the Bonus Shares commence. Any proceeds of sale, after deduction of expenses, will be distributed in Hong Kong dollars to the Overseas Shareholders, if any, pro-rata to their respective shareholdings and will be posted to them, at their own risk, unless the amount falling to be distributed to any such persons is less than HK\$100, in which case it will be retained for the benefit of the Company.

As at the Latest Practicable Date, there were 12 Shareholders whose addresses as shown on the Register of Members are located in a number of places outside Hong Kong, the details of which are as follows:–

Jurisdiction of registered address of Overseas Shareholders	No. of Overseas Shareholders
Canada	3
Macau	5
PRC	1
Singapore	1
Taiwan	1
USA	1

Pursuant to Rule 13.36 of the Listing Rules, the Board has made enquiries with its legal advisers in Canada, Macau, PRC, Singapore, Taiwan and USA as to whether there is any legal restriction under the applicable securities legislation of such countries or requirement of any relevant regulatory body or stock exchange with respect to the offer of the Bonus Shares to such Overseas Shareholders.

The Board has been advised by its legal advisers on the laws of Canada, Macau, PRC, Singapore and USA respectively that (i) the Bonus Shares can be issued and allotted to the Overseas Shareholders in these jurisdictions; (ii) there is no legal restriction under the applicable legislation of the relevant jurisdictions or requirements of any regulatory body or stock exchange with respect to the offer of the Bonus Shares by the Company to the Overseas Shareholders in these jurisdictions; and (iii) the Company is exempt from obtaining approval from and/or registration of the relevant documents with the relevant regulatory authorities under the applicable laws and regulations of these jurisdictions. Based on the above legal advices, the Board has decided, subject to approval of the Bonus Issue by the Shareholders, to extend the Bonus Shares to the Overseas Shareholders with registered addresses in Canada, Macau, PRC, Singapore and USA.

LETTER FROM THE BOARD

The Board has also been advised by its legal adviser on the laws of Taiwan that the Company would need to take additional steps to comply with the statutory requirements of the relevant regulatory authorities in Taiwan in order to extend the Bonus Shares to the Overseas Shareholder with a registered address in Taiwan. Having considered the circumstances, the Board is of the view that it is not expedient to extend the Bonus Shares to such Overseas Shareholder taking into consideration that the time and costs involved in complying with the legal requirements of such jurisdiction will outweigh the possible benefits to the relevant Overseas Shareholder and the Company. Accordingly, the Bonus Shares will not be offered to the Overseas Shareholder in Taiwan.

In light of the above, Overseas Shareholders with registered addresses in Canada, Macau, PRC, Singapore and USA, together with the Shareholders with registered addresses in Hong Kong as at the Record Date, are Qualifying Shareholders and they will be offered the Bonus Shares by the Company.

Despatch of certificates

In the absence of any specific instruction to the contrary received in writing by Registrars, certificates for the Bonus Shares will be posted to the persons entitled thereto at their respective addresses shown in the Register of Members or, in the case of joint holders, to the address of the joint holder whose name stands first in the Register of Members in respect of the joint holding. Assuming the Bonus Issue becomes effective, certificates for the Bonus Shares will be despatched at the risk of the persons entitled thereto on or before Wednesday, 22 July 2009 and the Company will not be responsible for any loss or delay in transmission. The Qualifying Shareholder(s) will receive one share certificate for the issue of the Bonus Share(s).

3. EGM

The EGM Notice is set out on pages 9 to 10 of this circular. At the EGM, resolution relating to the Bonus Issue will be considered and voted upon.

Pursuant to Rule 13.39(4) of the Listing Rules, voting at the EGM must be taken by poll and the Company must announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

4. EXPECTED TIMETABLE

The expected timetable for the Bonus Issue is set out on page 5 of this circular. Dates or deadlines specified in this circular are indicative only and may be varied by the Company. Any consequential changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

LETTER FROM THE BOARD

5. ACTIONS TO BE TAKEN

A form of proxy for use at the EGM is enclosed. Whether or not you intend to be present at the EGM, you are requested to complete the form of proxy and return it to the registered office of the Company in accordance with the instructions printed thereon not less than 48 hours before the time fixed for holding the EGM. Completion and deposit of the form of proxy will not preclude you from attending and voting at the EGM if you so wish.

6. RECOMMENDATION

The Directors are of the opinion that the proposed Bonus Issue is in the best interests of the Company and the Shareholders as a whole and accordingly recommend that Shareholders vote in favour of the Ordinary Resolution to be proposed at the EGM.

Yours faithfully,
Dai Xiaoming
Chairman and Chief Executive

NOTICE OF EXTRAORDINARY GENERAL MEETING



DAN FORM HOLDINGS COMPANY LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 271)

NOTICE IS HEREBY GIVEN that the Extraordinary General Meeting of Dan Form Holdings Company Limited (the “**Company**”) will 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. for the purpose of considering, if thought fit, passing the following resolution as an ordinary resolution:

“THAT, subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting and agreeing to grant listing of and permission to deal in the Bonus Shares (as defined below):

- (a) upon the recommendation of the directors of the Company (the “**Directors**”), a bonus issue on the basis of one Bonus Share (as defined below) for every ten existing shares of HK\$0.50 each in the capital of the Company (“**Shares**”) held be made, such Bonus Shares be issued to the persons (the “**allottees**”) whose names appear on the register of members of the Company at the close of business on Tuesday, 14 July 2009 (the “**Record Date**”) and whose addresses as shown in such register are in Hong Kong or whose addresses as shown in such register are outside Hong Kong if the Directors, based on legal opinions, do not consider it necessary or expedient to exclude any such shareholders of the Company on account either of the legal restrictions under the laws of the place of its registered address or the requirements of the relevant regulatory body or stock exchange in that place (the “**Bonus Issue**”);
- (b) the sum of not less than HK\$56,695,406.50 standing to the credit of the Company’s share premium account be capitalised and be applied in paying up in full at par of not less than 113,390,813 unissued Bonus Shares such that the Bonus Shares will be allotted, issued and distributed (pursuant to paragraph (d) below), credited as fully paid and share certificates be issued to the allottees in respect of the Bonus Shares to be issued and allotted to them immediately;
- (c) the Bonus Shares shall be subject to the Memorandum of Association and Articles of Association of the Company and shall rank *pari passu* in all respects with the existing issued Shares in issue on the Record Date, except that they will not rank for the Bonus Issue mentioned in paragraph (a) of this resolution;
- (d) no fractional Bonus Shares shall be allotted and distributed, and the fractional entitlements shall be aggregated, rounded down to the nearest whole number and sold for the benefit of the Company; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (e) the Directors be authorised to do all acts and things as may be necessary or expedient in relation to the Bonus Issue, including, but not limited to, determining the exact amount to be capitalized out of the share premium account of the Company and the exact number of Bonus Shares to be allotted and distributed in the manner referred to in paragraphs (a) and (b) of this resolution.”

By Order of the Board
Fung Man Yuen
Company Secretary

Hong Kong, 26 June 2009

Registered Office:

Room 901-903,
Harbour Centre,
25 Harbour Road,
Wanchai,
Hong Kong.

Notes:

1. Any shareholder of the Company (“Shareholder”) entitled to attend and vote at the EGM convened by the above notice is entitled to appoint one, or if such Shareholder is a holder of more than one Share, more proxies to attend and vote in his or her stead. A proxy need not be a Shareholder.
2. To be valid, the form of proxy, together with the power of attorney or other authority, if any, under which it is signed or a notarially certified true copy thereof must be deposited at the Company’s registered office at Room 901-903, Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the above Meeting or any adjourned meeting.
3. With regard to the resolution set out in this notice, a circular giving details of the proposed Bonus Issue incorporating this notice will be despatched today to the Shareholders.
4. In case of joint holders of Shares, any one of such holders may vote at the EGM, either in person or by proxy, in respect of such Shares as if he or she was solely entitled thereto, but if more than one of such joint holders are present at the EGM personally or by proxy, that one of the said persons so present whose names stands first in the register of members of the Company in respect of such Shares shall alone be entitled to vote in respect thereof.
5. This notice will also be available for viewing on the designated website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and on the website of the Company at www.danform.com.hk from 26 June 2009.
6. As at the date hereof, the board of Directors comprises 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, Dr. Xiang Bing and Mr. Edward Shen.