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**有利集團有限公司\***

**Yau Lee Holdings Limited**

(Incorporated in Bermuda with limited liability)

(Stock Code: 0406)

### **NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the annual general meeting of Yau Lee Holdings Limited (the “**Company**”) will be held at 10th Floor, Tower 1, Enterprise Square, 9 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong on Tuesday, 28 August 2012 at 11:00 a.m. for the following purposes:

1. To consider and receive the audited consolidated financial statements, Reports of the Directors and Auditor’s Report for the year ended 31 March 2012;
2. To declare a final dividend for the year ended 31 March 2012;
3. To re-elect retiring Directors and to authorise the Board of Directors to fix the Directors’ remuneration;
4. To re-appoint Auditor and to authorise the Board of Directors to fix their remuneration; and

As special business to consider and, if thought fit, pass the following Resolutions as Ordinary Resolutions:

5. (Please read Note 4)

(1) “**THAT:**

- a) the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all powers of the Company to allot, issue and deal with additional shares in the capital of the Company, including making and granting offers, agreements and options which would or might require shares to be allotted, issued or dealt with whether during or after the end of the Relevant Period, be and is hereby generally and unconditionally approved, provided that, otherwise than pursuant to a rights issue where shares are offered to shareholders on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions 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 recognised regulatory body or any stock exchange in, any territory outside Hong Kong), the additional shares allotted, issued or dealt with, (including shares agreed conditionally or unconditionally to be allotted, issued or dealt with, whether pursuant to an option or otherwise) shall not in aggregate exceed 20 per cent of the nominal amount of the share capital of the Company in issue at the date of this Resolution;

\* For identification purpose only

b) 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 expiration of the period within which the next annual general meeting of the Company is required by any applicable law of Bermuda or the Bye-laws of the Company to be held; and
- iii. the revocation or variation of the authority given under this Resolution by way of Ordinary Resolution of the shareholders of the Company in general meeting; and

c) the authority contained in this Resolution shall replace the similar authority granted at the general meeting of the Company held on 15 August 2011.”

(2) **“THAT:**

a) there be granted to the Directors of the Company an unconditional general mandate to repurchase shares in the capital of the Company, and that the exercise by the Directors of the Company of all powers of the Company to purchase shares subject to and in accordance with all applicable laws, rules and regulations be and is hereby generally and unconditionally approved, subject to the following conditions:

- i. such mandate shall not extend beyond the Relevant Period (as hereinafter defined);
- ii. such mandate shall authorise the Directors of the Company to procure the Company to repurchase shares at such prices as the Directors of the Company may at their discretion determine;
- iii. the aggregate nominal amount of the shares repurchased by the Company pursuant to this Resolution during the Relevant Period shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this Resolution; and

b) 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 expiration of the period within which the next annual general meeting of the Company is required by any applicable law of Bermuda or the Bye-laws of the Company to be held; and
- iii. the revocation or variation of the authority given under this Resolution by way of Ordinary Resolution of the shareholders of the Company in general meeting; and

- c) the authority contained in this Resolution shall replace the similar authority granted at the general meeting of the Company held on 15 August 2011.”; and
- (3) “**THAT** conditional upon the passing of Resolutions Nos. 5(1) and 5(2) as set out in this notice, the aggregate nominal amount of the shares which are repurchased by the Company pursuant to and in accordance with Resolution No. 5(2) above shall be added to the aggregate nominal amount of the shares which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company pursuant to and in accordance with Resolution No. 5(1).”

As special business to consider and, if thought fit, pass the following Resolutions as Special Resolutions:

6. “**THAT** the Bye-laws of the Company (the “**Bye-laws**”) be and are hereby amended in the following manner:

- (1) Bye-law 1

by adding the following new definition in Bye-law 1 after the existing definition of “subsidiary”:

“substantial shareholder” shall mean a person who is entitled to exercise, or to control the exercise of, 10 per cent or more (or such other percentage as may be prescribed by the rules of the stock exchange in the Relevant Territory from time to time) of the voting power at any general meeting of the Company;

- (2) Bye-law 7

by deleting the existing Bye-law 7(A) in its entirety and substituting therefor the following:

“7. (A) Subject to compliance with the rules and regulations of the stock exchange in the Relevant Territory and any other relevant regulatory authority, the Company may give financial assistance for the purpose of or in connection with a purchase made or to be made by any person of any shares in the Company.”; and

by deleting paragraph (B) of the existing Bye-law 7 in its entirety and substituting it with the words “Intentionally Deleted”;

- (3) Bye-law 12

by deleting the existing Bye-law 12 in its entirety and substituting therefor the following:

“12. (A) The Register and branch register of members, as the case may be, shall be open to inspection between 10 a.m. and 12 noon during business hours by members of the public without charge at the Office or such other place at which the Register is kept in accordance with the Companies Act. The Register including any overseas or local or other branch register of members may, after notice has been given by advertisement in an appointed newspaper and where applicable, any other newspapers in accordance with the requirements of any stock exchange in the Relevant Territory or by any means in such manner as may be accepted by the stock exchange in the Relevant Territory to that effect, be closed at such times or for such periods not exceeding in the whole thirty (30) days in each year as the Board may determine and either generally or in respect of any class of shares.”;

by deleting paragraph (B) of the existing Bye-law 12 in its entirety and substituting it with the words “Intentionally Deleted”;

by deleting paragraph (C) of the existing Bye-law 12 in its entirety and substituting it with the words “Intentionally Deleted”; and

by deleting paragraph (D) of the existing Bye-law 12 in its entirety and substituting it with the words “Intentionally Deleted”;

(4) Bye-law 79

by deleting the existing Bye-law 79 in its entirety and substituting therefor the following:

“79. (A) Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Bye-laws, at any general meeting on a poll every member present in person or by proxy or, in the case of a member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share. A resolution put to the vote of a meeting shall be decided by way of a poll save that the Chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every member present in person (or being a corporation, is present by a duly authorised representative), or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. For purposes of this Bye-law, procedural and administrative matters are those that (i) are not on the agenda of the general meeting or in any supplementary circular that may be issued by the Company to its members; and (ii) relate to the Chairman’s duties to maintain the orderly conduct of the meeting and/or allow the business of the meeting to be properly and effectively dealt with, whilst allowing all members a reasonable opportunity to express their views.

(B) where a show of hands is allowed, before or on the declaration of the result of the show of hands, a poll may be demanded:-

- (1) by at least three members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
- (2) by a member or members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all members having the right to vote at the meeting; or
- (3) by a member or members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

A demand by a person as proxy for a member or in the case of a member being a corporation by its duly authorised representative shall be deemed to be the same as a demand by the member.”;

(5) Bye-law 80

by deleting the existing Bye-law 80 in its entirety and substituting therefor the following:

“80. If a poll is required or duly demanded in accordance with the foregoing provisions, it shall (subject as provided in Bye-law 81) be taken in such manner (including the use of ballot or voting papers or tickets) and at once or at such time and place, not being later than 30 days after the date of the meeting or adjourned meeting at which the poll was required or duly demanded, as the Chairman directs. No notice need be given of a poll not taken immediately. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was required or duly demanded. The demand for a poll may be withdrawn but only with the consent of the Chairman at any time before the close of the meeting or the taking of the poll, whichever is earlier, and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.”;

(6) Bye-law 81

by deleting the existing Bye-law 81 in its entirety and substituting therefor the following:

“81. Any poll required or duly demanded on the election of a Chairman of a meeting or on any question of adjournment shall be taken at the meeting and without adjournment.”;

(7) Bye-law 82

by deleting the existing Bye-law 82 in its entirety and substituting therefor the following:

“82. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is required or duly demanded, shall be entitled to a second or casting vote.”;

(8) Bye-law 97

by deleting the existing Bye-law 97 in its entirety and substituting therefor the following:

“97. Unless and until otherwise determined by the Company by ordinary resolution the number of Directors shall not be less than 3 but there shall be no maximum number of Directors until the Company shall in general meeting fix such maximum whether permanently or for the time being provided that (i) the Board shall consist not less than 3 independent non-executive Directors and (ii) such independent non-executive Directors shall represent at least one-third of the Board. The Directors shall be elected or appointed in the first place at the statutory meeting of members and thereafter in accordance with the next following Bye-law. The Board shall cause to be kept a register of the Directors and officers at its Head Office.”;

(9) Bye-law 111

by deleting paragraph (A)(2)(v) of the existing Bye-law 111 in its entirety and substituting it with the words “Intentionally Deleted” and by adding the word “or” at the end (after the semicolon) of the existing paragraph (A)(2)(iv) ;

by deleting paragraph (A)(3) of the existing Bye-law 111 in its entirety and substituting it with the words “Intentionally Deleted”; and

by deleting paragraph (A)(4) of the existing Bye-law 111 in its entirety and substituting it with the words “Intentionally Deleted”;

(10) Bye-law 133

by adding the following at the end of the existing Bye-law 133:

“Notwithstanding the foregoing, a resolution in writing shall not be passed in lieu of a meeting of the Board for the purposes of considering any matter or business in which a substantial shareholder of the Company or a Director has a conflict of interest and the Board has determined that such conflict of interest to be material.”;

(11) Bye-law 150

by deleting the existing Bye-law 150 in its entirety and substituting therefor the following:

“150. No dividend shall be paid or distribution made out of contributed surplus if to do so would render the Company unable to pay its liabilities as they become due or the realisable value of its assets would thereby become less than its liabilities.”; and

(12) Bye-law 167

by deleting paragraph (A) of the existing Bye-law 167 in its entirety and substituting therefor the following:

“167.(A) Auditors shall be appointed and removed and the terms and tenure of such appointment and their duties at all times regulated in accordance with the provisions of the Companies Act and the rules of the stock exchange in the Relevant Territory.”

7. “**THAT** the Bye-laws of the Company in the form of the document marked “X” and produced to this meeting and for the purpose of identification signed by the chairman of this meeting, which consolidate all of the proposed amendments referred to in Resolution 6 above and all previous amendments made pursuant to resolutions passed by shareholders of the Company at the general meetings on 10th August 1993 and 25th August 2004 be and are hereby approved and adopted as new Bye-laws of the Company in substitution for and to the exclusion of the existing Bye-laws of the Company with immediate effect.

By Order of the Board  
**Wong Ip Kuen**  
*Chairman*

Hong Kong, 26 July 2012

*Registered Office:*

Clarendon House, 2 Church Street  
Hamilton HM11  
Bermuda

*Principal place of business in Hong Kong:*

10th Floor, Tower 1  
Enterprise Square  
9 Sheung Yuet Road  
Kowloon Bay  
Kowloon, Hong Kong

*Notes:*

1. A member entitled to attend and vote at the meeting convened by the notice is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. To be valid, a form of proxy, together with the power of attorney or other authority, under which it is signed or a notarially certified copy of that power of attorney or authority, must be deposited at the Company’s principal place of business at 10th Floor, Tower 1, Enterprise Square, 9 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong at least 48 hours before the time fixed for holding the meeting or any adjournment thereof.
3. Ir. Wong Tin Cheung, Mr. Wu King Cheong and Dr. Yeung Tsun Man, Eric are retiring Directors eligible for re-election at the forthcoming general meeting.
4. With regard to the Ordinary Resolutions 5(1) and 5(2), approval is being sought from the shareholders for a general mandate to (a) allot shares of the Company and (b) repurchase shares up to the respective 20 per cent and 10 per cent limits. These authorities are sought in order that the Directors might take advantage of any relevant circumstances but the Directors have no immediate plans to issue any new shares of the Company or repurchase any shares of the Company pursuant to such mandates.
5. Members are recommended to read the circular of the Company containing information concerning the Resolutions proposed in this notice.

*As at the date of this announcement, the Board comprises Mr. Wong Ip Kuen (Chairman), Ir. Wong Tin Cheung (Vice Chairman), Ms. Wong Wai Man and Mr. Sun Chun Wai as Executive Directors and Mr. Wu King Cheong, Mr. Chan, Bernard Charnwut and Dr. Yeung Tsun Man, Eric as Independent Non-Executive Directors.*