

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action you should take, 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 FlexSystem Holdings Limited, you should at once hand this circular to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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This circular, for which the directors (the "Directors") of FlexSystem Holdings Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:– (i) the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive; and (ii) there are no other matters the omission of which would make any statement herein or this circular misleading.

FlexSystem Holdings Limited

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8050)

PROPOSED GENERAL MANDATES TO ISSUE NEW SHARES AND REPURCHASE SHARES, EXTENSION OF GENERAL MANDATES TO ISSUE SHARES, RE-ELECTION OF RETIRING DIRECTORS, ADOPTION OF NEW SHARE OPTION SCHEME AND NOTICE OF ANNUAL GENERAL MEETING

This circular will remain on the GEM website on the "Latest Company Announcements" for 7 days from the date of its posting and on the website of the Company at ir.sinodelta.com.hk/8050/.

A notice convening the Annual General Meeting to be held at Unit A, 6/F, Nine Queen's Road Central, Hong Kong is set out in Appendix III to this circular. Whether or not you intend to attend the Annual General Meeting, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon not less than 48 hours before the time appointed for holding the Annual General Meeting. The return of a form of proxy will not preclude you from attending and voting in person if you so wish.

30 June 2011

**CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF
THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

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

“AGM Notice”	the notice for convening the annual general meeting set out in Appendix III to this circular dated 30 June 2011
“Annual General Meeting” or “AGM”	the annual general meeting of the Company to be held on 1 August 2011 and any adjournment thereof, notice of which is set out in Appendix III to this circular
“Annual Report”	the annual report of the Company for the year ended 31 March 2011
“Articles of Association”	the articles of association of the Company as amended from time to time
“Board”	the board of Directors
“Company”	FlexSystem Holdings Limited, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on GEM
“Director(s)”	the director(s) of the Company
“Eligible Participant(s)”	the person(s) to whom the Directors may extend an Offer to take up Options as referred to in paragraph 2 of the Appendix II, and “Eligible Participant(s)” shall be construed accordingly
“Employee”	any full-time or part-time employee or any officer (including without limitation any directors) of the Company or of any subsidiary
“GEM”	The Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Grantee”	any Participant who accepts the Offer in accordance with the terms of the New Scheme, or (where the context so permits as defined herein)
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

DEFINITIONS

“Invested Entity”	any entity in which any member of the Group holds any equity interest
“Latest Practicable Date”	27 June 2011, being the latest practicable date prior to the printing of this circular
“Model Code”	the required standard of dealings in the securities of the Company by Directors as set out in Rules 5.48 to 5.67 of the GEM Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company
“New Scheme”	the new share option scheme proposed to be adopted by the Company at the AGM
“Offer”	an offer of the grant of an Option made in accordance with the New Scheme
“Offer Date”	the date on which an Offer is made to an Eligible Participant
“Option”	an option to subscribe for the Shares granted pursuant to the New Scheme
“Option Period”	in respect of any particular Option, a period (which may not expire later than 10 years from the Offer Date of that Option) to be determined and notified by the Directors to the Grantee thereof and, in the absence of such determination, from the Offer Date to the earlier of (i) the date on which such Option lapses under the provisions of the New Scheme; and (ii) 10 years from the Offer Date of that Option
“Participant”	any Employee or consultant, advisor, agent, contractor, client or supplier of the Company or any subsidiary who in the sole opinion of the Board has contributed or is expected to contribute to the Group
“Personal Representative(s)”	the person or persons who, by virtue of the laws of succession applicable in respect of the death of a Grantee (being an individual), is or are entitled to exercise the Option granted to such Grantee (to the extent not already exercised)
“SFO”	Securities and Futures Ordinances, Cap. 571 of the Laws of Hong Kong

DEFINITIONS

“Share(s)”	share(s) of par value HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option pursuant to the New Scheme
“Takeovers Code”	The Code on Takeovers and Mergers and Shares Repurchases
“%”	per cent

LETTER FROM THE CHAIRMAN

FlexSystem Holdings Limited

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8050)

Executive Directors:

Mr. Lau Wai Shu (*Chairman*)

Mr. Sit Hon Cheong (*Chief Executive Officer*)

Independent non-executive Directors:

Mr. Lung Hung Cheuk

Ms. Yeung Wing Yan, Wendy

Mr. Yip Tai Him

Registered office:

Cricket Square

Hutchins Drive

P. O. Box 2681

Grand Cayman

KY1-1111

Cayman Islands

*Head office and principal place
of business:*

Unit A, 6/F.

Nine Queen's Road Central

Hong Kong

30 June 2011

To the Shareholders

Dear Sir or Madam,

**PROPOSED GENERAL MANDATES TO ISSUE NEW SHARES
AND REPURCHASE SHARES,
EXTENSION OF GENERAL MANDATES TO ISSUE SHARES,
RE-ELECTION OF RETIRING DIRECTORS,
ADOPTION OF NEW SHARE OPTION SCHEME AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

At the AGM, resolutions will be proposed to approve (i) the grant of general mandate to allot, issue and deal with new Shares to the Directors; (ii) the grant of general mandate to repurchase Shares to the Directors; (iii) the extension of general mandate to issue Shares; (iv) the re-election of retiring Directors; and (v) the adoption of the New Scheme. This circular contains the explanatory statement in compliance with the GEM Listing Rules and to give all the information reasonably necessary to enable Shareholders to make an informed decision on whether to vote for or against the resolutions set out in the AGM Notice.

LETTER FROM THE CHAIRMAN

PROPOSED GENERAL MANDATE TO ISSUE NEW SHARES AND THE EXTENSION OF GENERAL MANDATE TO ISSUE SHARES

At the AGM, an ordinary resolution will be proposed to grant to the Directors a general mandate to exercise the power of the Company to allot, issue and deal with Shares with an aggregate nominal amount not exceeding 20% (i.e. 120,000,000 Shares) of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the relevant resolution (the “New Issue Mandate”) and to add to such general mandate so granted to the Directors any Shares representing the aggregate nominal amount of the Shares repurchased by the Company after the granting of the Repurchase Mandate (as defined below) in order to provide flexibility for issuing new Shares when it is in the interests of the Company.

PROPOSED GENERAL MANDATE TO REPURCHASE SHARES

An ordinary resolution will be proposed to grant to the Directors a general mandate to exercise the power of the Company to repurchase Shares with an aggregate nominal amount not exceeding 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of the relevant resolution (the “Repurchase Mandate”). Under the GEM Listing Rules, the Company is required to give to its shareholders all information which is reasonably necessary to enable shareholders to make an informed decision as to whether to vote for or against the resolution to renew the grant to the Directors of a Repurchase Mandate. An explanatory statement as required under the GEM Listing Rules giving the requisite information regarding the Repurchase Mandate is set out in the Appendix I hereto. The Directors have no present intention to repurchase any Share but consider that the Repurchase Mandate will provide the Company with the flexibility to make such repurchase as and when appropriate and is beneficial to the Company.

RE-ELECTION OF RETIRING DIRECTORS

Pursuant to Article 86 of the Articles of Association, Mr. Lau Wai Shu, Mr. Sit Hon Cheong, Mr. Lung Hung Cheuk, Ms. Yeung Wing Yan, Wendy and Mr. Yip Tai Him, who were all appointed on 7 May 2011, shall hold office only until the AGM and shall then be eligible for re-election at the AGM. Details of the retiring Directors that are required to be disclosed under the GEM Listing Rules are set out below:

Executive Directors

Mr. Lau Wai Shu, aged 50, has been appointed as the executive Director, the Chairman and the compliance officer of the Company on 7 May 2011. He is also the authorised representative of the Company pursuant to each of the Rule 5.25(1) of the GEM Listing Rules and the Companies Ordinance of Hong Kong. Mr. Lau holds a bachelor’s degree in Applied Science (civil engineering) from the University of Ottawa, Ontario, Canada and a master of business administration degree from the University of Bradford, the United Kingdom. Mr. Lau had worked for various companies with over 19 years of experience in management and marketing. He was appointed as an executive director of the Global Energy Resources International Group Limited (stock code: 8192), a company

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listed on GEM in September 2007 and resigned in August 2008. Mr. Lau is currently an executive director of iOne Holdings Limited (stock code: 982), a company listed on the main board of the Stock Exchange.

Save as disclosed above, Mr. Lau does not hold any positions in the Company or any of its subsidiaries and does not hold any directorships in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years. Save as disclosed above, Mr. Lau is not connected with any Directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Lau has no interest in the Shares or underlying Shares within the meaning of Part XV of the SFO.

There is no service contract entered into between Mr. Lau and the Company. As at the Latest Practicable Date, Mr. Lau has no emolument, but his emolument package will be reviewed by the remuneration committee and the board of directors of the Company with reference to his duties and responsibilities with the Company and the prevailing market conditions. Mr. Lau has no fixed term of service with the Company and is subject to retirement and re-election at the forthcoming AGM and thereafter subject to the retirement by rotation and re-election at annual general meeting of the Company in accordance with the Articles of Association.

Mr. Sit Hon Cheong, aged 32, has been appointed as the executive Director, the Company Secretary and the Chief Executive Officer of the Company on 7 May 2011. He is also the authorised representative of the Company pursuant to the Rule 5.25(1) of the GEM Listing Rules. Mr. Sit is a member of the Hong Kong Institute of Certified Public Accountants. Mr. Sit graduated with a bachelor's degree in economics and finance from The University of Hong Kong and has worked for major international accounting firms and various companies with about 10 years of experience in accounting, auditing and corporate finance.

Save as disclosed above, Mr. Sit does not hold any positions in the Company or any of its subsidiaries and does not hold any directorships in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years. Save as disclosed above, Mr. Sit is not connected with any Directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Sit has no interest in the Shares or underlying Shares within the meaning of Part XV of the SFO.

There is no service contract entered into between Mr. Sit and the Company. As at the Latest Practicable Date, Mr. Sit has no emolument, but his emolument package will be reviewed by the remuneration committee and the board of directors of the Company with reference to his duties and responsibilities with the Company and the prevailing market conditions. Mr. Sit has no fixed term of service with the Company and is subject to retirement and re-election at the AGM and thereafter subject to the retirement by rotation

LETTER FROM THE CHAIRMAN

and re-election at annual general meeting of the Company in accordance with the Articles of Association.

Independent non-executive Directors

Mr. Lung Hung Cheuk, aged 64, has been appointed as the independent non-executive Director on 7 May 2011. He is also the chairman of the remuneration committee and a member of the audit committee and the nomination committee of the Company. Mr. Lung is a retired chief superintendent of the Hong Kong Police Force (the "Hong Kong Police"). He joined the Hong Kong Police in 1966 as a Probationary Inspector at the age of 19. He was promoted to the rank of chief inspector in 1980, superintendent in 1986, senior superintendent in 1993 and chief superintendent in 1997. He had served in various police posts, namely Special Branch, Police Tactical Unit, Police Public Relations Bureau and in a number of police divisions at management level. Prior to his retirement in April 2002, he was the commander of Sham Shui Po Police District. Mr. Lung was also the secretary and the chairman of the Superintendents' Association (the "SPA") of the Hong Kong Police from 1993 to 2001. The membership of the SPA comprises the top management of the Hong Kong Police from superintendents up to and including the commissioner of the Hong Kong Police. He was awarded the Police Meritorious Service Medal by the Chief Executive of Hong Kong in 2000. Mr. Lung currently acts as an independent non-executive director of Richfield Group Holdings Limited (stock code: 183) and iOne Holdings Limited (stock code: 982), the shares of each of which is listed on the main board of the Stock Exchange. He was the independent non-executive director of Global Energy Resources International Group Limited (stock code: 8192), a company listed on GEM during the period from September 2007 to January 2010.

Save as disclosed above, Mr. Lung does not hold any positions in the Company or any of its subsidiaries and does not hold any directorships in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years. Save as disclosed above, Mr. Lung is not connected with any Directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Lung has no interest in the Shares or underlying Shares within the meaning of Part XV of the SFO.

Mr. Lung is appointed for a term of 1 year, but will be subject to retirement and re-election at the AGM pursuant to the Articles of Association. An appointment letter has been entered into between Mr. Lung and the Company pursuant to which Mr. Lung will receive an emolument of HK\$50,000 per annum which was determined by the Board and recommended by the remuneration committee of the Company with reference to his duties and responsibilities with the Company and the prevailing market conditions.

Ms. Yeung Wing Yan, Wendy, aged 48, has been appointed as the independent non-executive Director on 7 May 2011. She is also the chairman of the nomination committee and a member of the audit committee and the remuneration committee of the Company. Ms. Yeung holds a bachelor's degree in Business Administration from the University of Hawaii at Manoa, Honolulu, Hawaii. She has about 20 years of experience in

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corporate and financial communications. Ms. Yeung was the founder and managing director of Occasions Corporate & Financial Communication Limited from 1993 to 2007 and a managing director of Financial Dynamics International Limited from 2007 to 2010. Ms. Yeung is currently a Post-graduate of Juris Doctor from the Chinese University of Hong Kong; graduating in 2011, a member of the Council of Lingnan University, a member of the Hong Kong Cancer Fund and a committee member of Special Project Committee of Community Chest.

Save as disclosed above, Ms. Yeung does not hold any positions in the Company or any of its subsidiaries and does not hold any directorships in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years. Save as disclosed above, Ms. Yeung is not connected with any Directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company.

As at the Latest Practicable Date, Ms. Yeung has no interest in the Shares or underlying Shares within the meaning of Part XV of the SFO.

Ms. Yeung is appointed for a term of 1 year, but will be subject to retirement and re-election at the AGM pursuant to the Articles of Association. An appointment letter has been entered into between Ms. Yeung and the Company pursuant to which Ms. Yeung will receive an emolument of HK\$50,000 per annum which was determined by the Board and recommended by the remuneration committee of the Company with reference to her duties and responsibilities with the Company and the prevailing market conditions.

Mr. Yip Tai Him, aged 40, has been appointed as the independent non-executive Director on 7 May 2011. He is also the chairman of the audit committee and a member of the remuneration committee and the nomination committee of the Company. Mr. Yip is a practising accountant in Hong Kong and an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants in the United Kingdom. Mr. Yip has about 17 years of experience in accounting, auditing and financial management. He is currently an independent non-executive director of the following listed companies in Hong Kong, namely, Wing Lee Holdings Limited (stock code: 876), China Communication Telecom Services Company Limited (stock code: 8206), Vinco Financial Group Limited (stock code: 8340), KH Investment Holdings Limited (stock code: 8172), GCL-Poly Energy Holdings Limited (stock code: 3800) and iOne Holdings Limited (stock code: 982). Mr. Yip was also the independent non-executive director of Global Energy Resources International Group Limited (stock code: 8192), a company listed on GEM during the period from March 2008 to January 2010. Mr. Yip was also the executive director of Zhi Cheng Holdings Limited (stock code: 8130), a company listed on GEM, during the period from July 2007 to August 2008 and the independent non-executive director of Aurum Pacific (China) Group Limited (stock code: 8148), a company listed on the GEM, during the period from March 2007 to July 2008.

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Save as disclosed above, Mr. Yip does not hold any positions in the Company or any of its subsidiaries and does not hold any directorships in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years. Save as disclosed above, Mr. Yip is not connected with any Directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Yip has no interest in the Shares or underlying Shares within the meaning of Part XV of the SFO.

Mr. Yip is appointed for a term of 1 year, but will be subject to retirement and re-election at the AGM pursuant to the Articles of Association. An appointment letter has been entered into between Mr. Yip and the Company pursuant to which Mr. Yip will receive an emolument of HK\$50,000 per annum which was determined by the Board and recommended by the remuneration committee of the Company with reference to his duties and responsibilities with the Company and the prevailing market conditions.

Save as disclosed above, there is no other matter relating to the retiring Directors that is required to be disclosed pursuant to Rule 17.50(2)(h) to (v) of the GEM Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders.

PROPOSED ADOPTION OF THE NEW SCHEME

As at the Latest Practicable Date, the Company does not have any share option scheme currently in force. The Directors consider to adopt the New Scheme so as to enable the Group to grant Options to selected Participants as incentives or rewards for their contribution to the Group.

Accordingly, an ordinary resolution will be proposed at the AGM to approve the adoption of the New Scheme.

The terms of the New Scheme provide that in granting Options under the New Scheme, the Board may offer to grant any Options subject to such terms and conditions in relation to the minimum period of the Options to be held and/or the performance criteria to be satisfied before such Options can be exercised and/or any other terms as the Board may determine in its absolute discretion. The Board will also have the discretion in determining the Subscription Price in respect of any Option, provided that the relevant requirements in the GEM Listing Rules are complied with. The Directors are of the view that the flexibility given to the Directors to impose the minimum period for which the Options have to be held and performance targets and other conditions that have to be achieved before the Options can be exercised, will place the Group in a better position to attract human resources that are valuable to the growth and development of the Group as a whole. The Company does not at present intend to appoint a trustee to the New Scheme.

A summary of the terms of the New Scheme is set out in the Appendix II to this circular. A copy of the rules of the New Scheme is available for inspection at the Company's principal place of business in Hong Kong at Unit A, 6/F, Nine Queen's Road Central, Hong Kong during normal business hours from the date hereof up to and including the date of AGM.

LETTER FROM THE CHAIRMAN

The Directors consider that it is not appropriate to state the value of all the Options that can be granted under the New Scheme as if they had been granted at the Latest Practicable Date as a number of variables which are crucial for the calculation of the value of the Options have not been determined. Such variables include the exercise price, exercise period, any lock up period and other conditions, if any, that an Option is subject to. Accordingly, the Directors believe that any calculation of value of the Options as at the Latest Practicable Date based on a large number of speculative assumptions would not be meaningful and may be misleading to the Shareholders.

The New Scheme constitutes a share option scheme governed by Chapter 23 of the GEM Listing Rules. The New Scheme is conditional upon:

- (i) the passing of an ordinary resolution at the AGM approving the adoption of the New Scheme and the allotment and issuance of the Shares, which may fall to be allotted and issued upon exercise of the subscription rights attaching to the Options; and
- (ii) the GEM Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, any new Shares which may fall to be allotted and issued upon exercise of the subscription rights attaching to the Options that may be granted under the New Scheme, being 10% of the issued share capital of the Company as at the date of passing of the relevant ordinary resolution.

Subject to the passing of the ordinary resolution set out in the AGM Notice in respect of the adoption of the New Scheme and assuming that the issued share capital of the Company remains at 600,000,000 Shares as at the date of AGM, the Company can grant Options to the Participants to subscribe for up to 60,000,000 Shares, representing 10% of the issued share capital of the Company as at the date of AGM. To the best knowledge of the Directors having made all reasonable enquiries, none of the Shareholders has a material interest in the proposed adoption of the New Scheme and, therefore, no Shareholder is required to abstain from voting on the said resolution.

An application will be made to the Stock Exchange for approval of the listing of, and permission to deal in, the Shares which may be issued and allotted pursuant to the New Scheme.

ANNUAL GENERAL MEETING

At the AGM, ordinary resolutions will be proposed to approve, among other matters, the following:

- (a) the grant of the New Issue Mandate and the Repurchase Mandate;
- (b) the extension of New Issue Mandate to issue Shares;
- (c) the re-election of retiring Directors; and
- (d) the adoption of New Scheme.

LETTER FROM THE CHAIRMAN

According to Rule 17.47(4) of the GEM Listing Rules, any voting of the Shareholders at the AGM will be taken by way of poll and an announcement will be made after the AGM on the results of the AGM. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders will be required to abstain from voting on any resolutions to be approved at the AGM.

AGM Notice is set out in Appendix III to this circular. A proxy form for use at the AGM is enclosed herewith. Whether or not you intend to attend the AGM, you are requested to complete the proxy form and return it to the branch share registrar of the Company in Hong Kong, Tricor Secretaries Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or the adjourned meeting (as the case may be). Completion and return of a proxy form will not preclude Shareholders from attending and voting at the AGM and at any adjournment thereof if they so wish.

RECOMMENDATION

The Directors are of the opinion that the proposals referred to general mandate to issue new shares, general mandate to repurchase shares, the extension of New Issue Mandate to issue Shares, re-election of retiring Directors and adoption of New Scheme are in the best interests of the Company and the Shareholders as a whole and therefore recommend the Shareholders to vote in favour of the resolutions to be proposed at the AGM.

Yours faithfully
On behalf of the Board
Lau Wai Shu
Chairman

This is an explanatory statement given to all Shareholders relating to a resolution to be proposed at the forthcoming AGM authorising the Repurchase Mandate.

This explanatory statement contains all the information required pursuant to Rule 13.08 of the GEM Listing Rules, which is set out as follows:

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 600,000,000 Shares of HK\$0.10 each.

Subject to the passing of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 60,000,000 Shares representing not more than 10% of the issued share capital of the Company during the period from the date of the passing of the Repurchase Mandate until (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 Articles of Association or any applicable laws of the Cayman Islands to be held; or (iii) the revocation, variation or renewal of the Repurchase Mandate by ordinary resolution of the Shareholders in general meeting, whichever comes first.

2. REASONS FOR REPURCHASES

Repurchases of Shares will only be made when the Directors believe that such a repurchase will benefit the Company and its Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value and/or earnings per Share.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum and articles of association, the GEM Listing Rules and the applicable laws of the Cayman Islands. The Company may not repurchase its Shares on GEM for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

4. EXERCISE OF THE REPURCHASE MANDATE

Exercise in full of the Repurchase Mandate, on the basis of 600,000,000 Shares in issue as at the Latest Practicable Date could result in up to 60,000,000 Shares being repurchased by the Company during the period up to (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 Articles of Association or any applicable laws to be held; or (iii) the revocation, variation or renewal of the Repurchase Mandate by ordinary resolution of the Shareholders in general meeting, whichever occurs first.

5. GENERAL

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the Annual Report) in the event that the Repurchase Mandate is exercised in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or on the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

6. SHARE PRICES

The highest and lowest prices at which the Shares have traded on GEM in each of the previous twelve months before the Latest Practicable Date are as follows:

	Highest	lowest
	<i>HK\$</i>	<i>HK\$</i>
2010		
June	0.280	0.230
July	0.249	0.208
August	0.225	0.190
September	0.220	0.190
October	0.230	0.191
November	0.240	0.215
December	0.245	0.210
2011		
January	Suspended	Suspended
February	0.900	0.395
March	0.660	0.415
April	0.720	0.560
May	0.730	0.600
June (up to the Latest Practicable Date)	0.640	0.330

7. UNDERTAKING

The Directors have undertaken to the Stock Exchange that they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate and in accordance with the GEM Listing Rules, the memorandum and articles of association of the Company and the applicable laws of the Cayman Islands.

8. DISCLOSURE OF INTERESTS

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates, have any present intention to sell any Shares to the Company under the Repurchase Mandate if such is approved by the Shareholders.

No connected person (as defined in the GEM Listing Rules) has notified the Company that he has a present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

9. TAKEOVERS CODE

If, as a result of a repurchase of shares, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. As a result, a shareholder, or a group of shareholders acting in concert, depending on the level of increase in the shareholder's interests, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeover Code.

As at the Latest Practicable Date, so far as the Directors are aware, the shareholding of the substantial Shareholders is as follows:

Name of Shareholder	Number of shares held (Note 1)	Approximate percentage of shareholding as at the Latest Practicable Date	Approximate percentage of shareholding if Repurchase Mandate is exercised in full
Pong Wai San, Wilson (Note 2)	434,598,000 (L)	72.43 (L)	80.48%
Tung Ching Yee, Helena (Note 3)	434,598,000 (L)	72.43 (L)	80.48%
Excel Score Limited (Note 2)	306,000,000 (L)	51.00 (L)	56.67%

Notes:

- The letter "L" denotes the person's long position in such securities.
- Mr. Pong Wai San, Wilson is the ultimate beneficial owner and the sole director of Excel Score Limited. By virtue of the SFO, Mr. Pong is deemed to be interested in the 306,000,000 Shares held by Excel Score Limited.
- Ms. Tung Ching Yee, Helena is the spouse of Mr. Pong Wai San, Wilson and accordingly deemed to be interested in the Shares beneficially owned by Mr. Pong in his capacity and through his controlled corporation, Excel Score Limited, under the SFO.

However, the Directors will not repurchase Shares on GEM if the repurchase would result in the number of the listed Shares which are in the hands of the public falling below the minimum prescribed percentage for the Company as required by the Stock Exchange.

10. SHARE REPURCHASE MADE BY THE COMPANY

No repurchases of Shares have been made by the Company in the six months preceding the Latest Practicable Date, whether on the GEM or otherwise.

1. PURPOSES OF THE NEW SCHEME

The purpose of the New Scheme is to enable the Group to grant Options to selected Participants as incentives or rewards for their contribution to the Group. The Directors consider the New Scheme, with its broadened basis of participation, will enable the Group to reward the Employees, the Directors and other selected Participants for their contributions to the Group. Given that the Directors are entitled to determine any performance targets to be achieved as well as the minimum period that an Option must be held before an Option can be exercised on a case by case basis, and that the exercise price of an Option cannot in any event fall below the price stipulated in the GEM Listing Rules or such higher price as may be fixed by the Directors, it is expected that Grantees of an Option will make an effort to contribute to the development of the Group so as to bring about an increased market price of the Shares in order to capitalise on the benefits of the Options granted.

2. WHO MAY JOIN

The Directors (which expression shall, for the purpose of this Appendix, include a duly authorised committee thereof) may, at its absolute discretion, invite any person belonging to any of the following classes of Participants, to take up Options to subscribe for Shares:

- (a) any Employee of the Company and of the subsidiaries or any entity (“Invested Entity”) in which the Group holds an equity interest;
- (b) any non-executive Directors (including independent non-executive Directors) of the Company, any Subsidiaries or any Invested Entity;
- (c) any supplier of goods or services to any member of the Group or any Invested Entity;
- (d) any customer of any member of the Group or any Invested Entity;
- (e) any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity;
- (f) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;
- (g) any adviser (professional or otherwise) or consultant to any area of business or business development of the Group or any Invested Entity; and
- (h) any other group or classes of Participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group,

and, for the purposes of the New Scheme, the Options may be granted to any company wholly-owned by one or more persons belonging to any of the above classes of Participants. For the avoidance of doubt, the grant of any Options by the Company for the subscription of Shares or other securities of the Group to any person who fall within any of the above classes of Participants shall not, by itself, unless the Directors otherwise determined, be construed as a grant of Option under the New Scheme.

The eligibility of any of the above class of Participants to the grant of any Option shall be determined by the Directors from time to time on the basis of the Directors' opinion as to his contribution to the development and growth of the Group.

3. MAXIMUM NUMBER OF SHARES

- (a) The maximum number of Shares to be issued upon the exercise of all outstanding Options granted and yet to be exercised under the New Scheme and any other share option scheme of the Group must not in aggregate exceed 30% of the issued share capital of the Company from time to time.

- (b) The initial total number of Shares which may be issued upon exercise of all Options (excluding, for this purpose, Options which have lapsed in accordance with the terms of the New Scheme and any other share option scheme of the Group) to be granted under the Scheme and any other share option scheme of the Group must not in aggregate exceed 10% of the Shares in issue at the day on which the New Scheme is approved (the "General Scheme Limit").

- (c) Subject to (a) above but without prejudice to (d) below, the Company may issue a circular to the Shareholders and seek approval of the Shareholders in general meeting to refresh the General Scheme Limit provided that the total number of Shares which may be issued upon exercise of all Options to be granted under the New Scheme and any other share option scheme of the Group must not exceed 10% of the Shares in issue as at the date of approval of the refreshed limit and for the purpose of calculating the refreshed limit, Options (including those outstanding, cancelled, lapsed or exercised in accordance with the New Scheme and any other share option scheme of the Group) previously granted under the Scheme and any other share option scheme of the Group will not be counted. The circular sent by the Company to the Shareholders shall contain, among other information, the information required under rule 23.02(2)(d) of the GEM Listing Rules and the disclaimer required under rule 23.02(4) of the GEM Listing Rules.

- (d) Subject to (a) above and without prejudice to (c) above, the Company may seek separate Shareholders' approval in general meeting to grant Options beyond the General Scheme Limit or, if applicable, the refreshed limit referred to in (c) above to Participants specifically identified by the Company before such approval is sought. In such event, the Company must send a circular to the Shareholders containing a general description of the specified

Participants, the number and terms of Options to be granted, the purpose of granting Options to the specified Participants with an explanation as to how the terms of the Options serve such purpose, the information required under rule 23.02(2)(d) of the GEM Listing Rules and the disclaimer required under rule 23.02(4) of the GEM Listing Rules.

4. MAXIMUM ENTITLEMENT OF EACH PARTICIPANT

The total number of Shares issued and which may fall to be issued upon exercise of the Options granted under the New Scheme and any other share option scheme of the Group (including both exercised or outstanding Options) to each Participant in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being (the "Individual Limit"). Any further grant of Options in excess of the Individual Limit in any 12-month period up to and including the date of such further grant shall be subject to the issue of a circular to the Shareholders and the Shareholders' approval in general meeting of the Company with such Participant and his associates abstaining from voting. The number and terms (including the exercise price) of Options to be granted to such Participant must be fixed before Shareholders' approval and the date of Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the exercise price under note (1) to rule 23.03(9) of the GEM Listing Rules.

5. GRANT OF OPTIONS TO CONNECTED PERSONS

- (a) Any grant of Options under the New Scheme to a Director, chief executive or substantial Shareholder of the Company or any of their respective associates (as defined under the GEM Listing Rules) must be approved by independent non-executive directors of the Company (excluding independent non-executive Director who is the Grantee of the Options).

- (b) Where any grant of Options to a substantial Shareholder or an independent non-executive Director or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:
 - (i) representing in aggregate over 0.1% of the Shares in issue; and
 - (ii) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million;

such further grant of Options must be approved by the Shareholders in general meeting. The Company must send a circular to the Shareholders containing the information required under the GEM Listing Rules and where the GEM Listing Rules shall so require, the vote at the Shareholders' meeting convened to obtain the requisite approval shall be taken on a poll with those persons required under the GEM Listing

Rules abstaining from voting. Any change in the terms of Options granted to a substantial Shareholder or an independent non-executive Director or any of their respective associates must be approved by the Shareholders in general meeting.

6. TIME OF ACCEPTANCE AND EXERCISE OF OPTION

An offer of the grant of the Option may be accepted by a Participant within 28 days from the date of the Offer of grant of the Option.

An Option may be exercised in accordance with the terms of the New Scheme at any time during a period to be determined and notified by the Directors to each Grantee, which period may commence on the date upon which the Offer for the grant of Options is made but shall end in any event not later than 10 years from the date of grant of the Option subject to the provisions for early termination thereof. Unless otherwise determined by the Directors and stated in the Offer of the grant of Options to a Grantee, there is no minimum period required under the New Scheme for the holding of an Option before it can be exercised.

7. PERFORMANCE TARGETS

Unless the Directors otherwise determined and stated in the Offer of the grant of Options to a Grantee, a Grantee is not required to achieve any performance targets before any Options granted under the New Scheme can be exercised.

8. SUBSCRIPTION PRICE FOR SHARES AND CONSIDERATION FOR THE OPTION

The Subscription Price for Shares under the New Scheme will be a price determined by the Directors, but shall not be less than the higher of (i) the closing price of Shares as stated in the Stock Exchange's daily quotations sheet on the date of the Offer of grant, which must be a Business Day; (ii) the average closing price of Shares as stated in the Stock Exchange's daily quotations for the five trading days immediately preceding the date of the Offer of grant; and (iii) the nominal value of the Shares.

A nominal consideration of HK\$1 is payable on acceptance of the grant of an Option.

9. RANKING OF SHARES

- (a) Shares allotted upon the exercise of an Option will be subject to all the provisions of the Articles of Association and will rank pari passu in all respects with the fully paid Shares in issue on the date on which the Option is duly exercised or, if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members (the "Exercise Date") and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or made on or after the Exercise Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date

there for shall be before the Exercise Date. A Share allotted upon the exercise of an Option shall not carry voting rights until the completion of the registration of the Grantee on the register of members of the Company as the holder thereof.

- (b) Unless the context otherwise requires, references to “Shares” in this paragraph include references to Shares in the ordinary equity share capital of the Company of such nominal amount as shall result from a subdivision, consolidation, re-classification or reduction of the share capital of the Company from time to time.

10. RESTRICTIONS ON THE TIME OF GRANT OF OPTIONS

For so long as the Shares are listed on the Stock Exchange, no offer for grant of Options shall be made after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision until such price sensitive information has been announced in accordance with the requirements of the GEM Listing Rules. In particular, during the period commencing one month immediately preceding the earlier of (a) the date of the meeting of the Directors for the approval of the Company’s results for any year, half-year, quarterly or any other interim period (whether or not required under the GEM Listing Rules); and (b) the last date on which the Company must publish an announcement of its results for any year, half-year, quarterly or any other interim period (whether or not required under the GEM Listing Rules), and ending on the date of the announcement of the results, no offer for grant of Option may be made.

The Directors may not grant any Option to a Participant who is subject to the Model Code during the periods or times in which such Participants is prohibited from dealing in Shares pursuant to such code.

11. PERIOD OF THE NEW SCHEME

The New Scheme will remain in force for a period of 10 years commencing on the date on which the New Scheme is adopted.

12. RIGHTS ON CEASING EMPLOYMENT

If the Grantee of an Option is an Eligible Employee and ceases to be an Eligible Employee for any reason other than death, ill-health or retirement in accordance with his contract of employment or for serious misconduct or other grounds referred to in sub-paragraph (13) below before exercising his Option in full, the Option (to the extent not already exercised) will lapse on the date of cessation and will not be exercisable unless the Directors otherwise determine in which event the Grantee may exercise the Option (to the extent not already exercised) in whole or in part within such period as the Directors may determine following the date of such cessation, which will be taken to be the last day on which the Grantee was at work with the Group or the Invested Entity whether salary is paid in lieu of notice or not.

Eligible Employee means any Employee (whether full-time or part-time Employee, including any executive Director but not any non-executive Director) of the Company, any subsidiaries or any Invested Entity.

13. RIGHTS ON DEATH, ILL-HEALTH OR RETIREMENT

If the Grantee of an Option is an Eligible Employee and ceases to be an Eligible Employee by reason of his death, ill-health or retirement in accordance with his contract of employment before exercising the Option in full, his Personal Representative(s), or, as appropriate, the Grantee may exercise the Option (to the extent not already exercised) in whole or in part within a period of 12 months following the date of cessation which date shall be the last day on which the Grantee was at work with the Group or the Invested Entity whether salary is paid in lieu of notice or not or such longer period as the Directors may determine.

14. RIGHTS ON DISMISSAL

If the Grantee of an Option is an Eligible Employee and ceases to be an Eligible Employee by reason that he has been guilty of serious misconduct or has committed any act of bankruptcy or has become insolvent or has made any arrangements or composition with his creditors generally, or has been convicted of any criminal offence (other than an offence which in the opinion of the Directors does not bring the Grantee or the Group or the Invested Entity into disrepute), his Option will lapse automatically and will not in any event be exercisable on or after the date of cessation to be an Eligible Employee.

15. RIGHTS ON BREACH OF CONTRACT

If the Directors shall at their absolute discretion determine that (i) the Grantee of any Option (other than an Eligible Employee) or his associate has committed any breach of any contract entered into between the Grantee or his associate on the one part and the Group or any Invested Entity on the other part; or (ii) that such Grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his creditors generally; or (iii) such Grantee could no longer make any contribution to the growth and development of the Group by reason of the cessation of its relations with the Group or by other reason whatsoever, the Option granted to such Grantee under the New Scheme shall lapse, his Option will lapse automatically and will not in any event be exercisable on or after the date on which the event referred to (i), (ii) or (iii) above has occurred.

16. RIGHTS ON A GENERAL OFFER, A COMPROMISE OR ARRANGEMENT

If a general or partial offer, whether by way of takeover offer, share repurchase offer, or scheme of arrangement or otherwise in like manner is made to all the holders of Shares, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, the Company shall use all reasonable endeavours to procure that such offer is extended to all the Grantees on the same terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the Options granted to them, Shareholders. If such offer becomes or is declared unconditional, a Grantee shall be entitled to exercise his Option (to the extent not already exercised) to its full extent or to the extent specified in the Grantee's notice to the Company in exercise of his Option at any time before the close of such offer (or any

revised offer) or the record date for entitlements under such scheme of arrangement, as the case may be. Subject to the above, an Option will lapse automatically (to the extent not exercised) on the date on which such offer (or, as the case may be, revised offer) closes.

17. RIGHTS ON WINDING UP

In the event of a resolution being proposed for the voluntary winding-up of the Company during the Option Period, the Grantee may, subject to the provisions of all applicable laws, by notice in writing to the Company at any time not less than two business days before the date on which such resolution is to be considered and/or passed, exercise his Option (to the extent not already exercised) either to its full extent or to the extent specified in such notice in accordance with the provisions of the New Scheme and the Company shall allot and issue to the Grantee the Shares in respect of which such Grantee has exercised his Option not less than one business day before the date on which such resolution is to be considered and/or passed whereupon the Grantee shall accordingly be entitled, in respect of the Shares allotted and issued to him in the aforesaid manner, to participate in the distribution of the assets of the Company available in liquidation *pari passu* with the holders of the Shares in issue on the day prior to the date of such resolution. Subject thereto, all Options then outstanding shall lapse and determine on the commencement of the winding-up of the Company.

18. GRANTEE BEING A COMPANY WHOLLY OWNED BY ELIGIBLE PARTICIPANTS

If the Grantee is a company wholly-owned by one or more Eligible Participants:

- (a) paragraphs (12), (13), (14) and (15) shall apply to the Grantee and to the Options to such Grantee, *mutatis mutandis*, as if such Options had been granted to the relevant Eligible Participant, and such Options shall accordingly lapse or fall to be exercisable after the event(s) referred to in paragraphs (12), (13), (14) and (15) shall occur with respect to the relevant Eligible Participant; and
- (b) the Options granted to the Grantee shall lapse and determine on the date the Grantee ceases to be wholly owned by the relevant Eligible Participant provided that the Directors may in their absolute discretion decide that such Options or any part thereof shall not so lapse or determine subject to such conditions or limitations as they may impose.

19. ADJUSTMENTS TO THE SUBSCRIPTION PRICE

In the event of a capitalisation issue, rights issue, subdivision or consolidation of Shares or reduction of capital of the Company whilst an Option remains exercisable, such corresponding alterations (if any) certified by the auditors for the time being of or an independent financial adviser to the Company as fair and reasonable will be made to the number or nominal amount of Shares, the subject matter of the New Scheme and the Option so far as unexercised and/or the Option price of the Option concerned, provided that (i) any adjustments shall give a Grantee the same proportion of the issued share

capital to which he was entitled prior to such alteration; (ii) the issue of Shares or other securities of the Group as consideration in a transaction may not be regarded as a circumstance requiring adjustment; and (iii) no alteration shall be made the effect of which would be to enable a Share to be issued at less than its nominal value and in each case, any adjustment must be made, and in each case, any adjustment must be made in compliance with the GEM Listing Rules and such rules, codes and guidance notes of the Stock Exchange from time to time. In addition, in respect of any such adjustments, other than any made on a capitalisation issue, such auditors or independent financial adviser must confirm to the Directors in writing that the adjustments satisfy the requirements of the relevant provision of the GEM Listing Rules.

20. CANCELLATION OF OPTIONS

Any cancellation of Options granted but not exercised must be subject to the consent of the relevant Grantee and the approval of the Directors.

When the Company cancels any Option granted to a Grantee but not exercised and issues new Option(s) to the same Grantee, the issue of such new Option(s) may only be made with available unissued Options (excluding the Options so cancelled) within the General Scheme Limit or the new limits approved by the Shareholders pursuant paragraphs (3)(c) and (d) above.

21. TERMINATION OF THE NEW SCHEME

The Company may by resolution in general meeting at any time terminate the New Scheme and in such event no further Options shall be offered but in all other respects the provisions of the New Scheme shall remain in force to the extent necessary to give effect to the exercise of any Options (to the extent not already exercised) granted prior to the termination or otherwise as may be required in accordance with the provisions of the New Scheme. Options (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with the New Scheme.

22. RIGHTS ARE PERSONAL TO THE GRANTEE

An Option is personal to the Grantee and shall not be transferable or assignable.

23. LAPSE OF OPTION

An Option shall lapse automatically (to the extent not already exercised) on the earliest of (a) the expiry of the Option Period in respect of such Option; (b) the expiry of the periods or dates referred to in paragraphs (12), (13), (14), (15), (16), (17) and (18); or (c) the date on which the Directors exercise the Company's right to cancel the Option by reason of a breach of paragraph (22) above by the Grantee.

24. OTHERS

- (a) The New Scheme is conditional on the Stock Exchange granting the listing of and permission to the obtaining of the approval of the Shareholders at the AGM and deal in, such number of Shares to be issued pursuant to the exercise of any Options which may be granted under the New Scheme, such number being not less than that of the General Scheme Limit.
- (b) The terms and conditions of the New Scheme relating to the matters set out in rule 23.03 of the GEM Listing Rules shall not be altered to the advantage of Grantees of the Options except with the approval of the Shareholders in general meeting.
- (c) Any alterations to the terms and conditions of the New Scheme which are of a material nature or any change to the terms of Options granted must be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the New Scheme.
- (d) The amended terms of the New Scheme or the Options shall comply with the relevant requirements of chapter 23 of the GEM Listing Rules.
- (e) Any change to the authority of the Directors or the scheme administrators in relation to any alteration to the terms of this Scheme shall be approved by the Shareholders in general meeting.

FlexSystem Holdings Limited

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8050)

NOTICE IS HEREBY GIVEN that an annual general meeting of FlexSystem Holdings Limited (the “**Company**”) will be held at Unit A, 6/F, Nine Queen’s Road Central, Hong Kong on 1 August 2011, Monday at 10:30 a.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements and the reports of the directors and auditors for the financial year ended 31 March 2011;
2. To re-elect the retiring directors of the Company (the “**Directors**”) and to authorise the board of Directors to fix their remuneration;
3. To re-appoint auditors and to authorise the board of Directors to fix their remuneration;

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

4. “**THAT**
 - (a) subject to paragraph (c) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and otherwise deal with additional Shares or securities convertible into shares, options, warrants or similar rights to subscribe for any shares, and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;
 - (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
 - (c) the aggregate nominal amount of share capital allotted and issued or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) the exercise of options under any share option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares of the Company or right to acquire shares of the Company; or (iii) any

scrip dividend or similar arrangements providing for the allotment of shares of the Company in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company in force from time to time; or (iv) any issue of shares of the Company upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into shares of the Company, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of passing this resolution and the said approval shall be limited accordingly;

- (d) for the purpose of this resolution, “**Relevant Period**” means the period from the date of 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 the articles of association of the Company or any applicable law of the Cayman Islands to be held; or
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution;

“**Rights Issue**” means an offer of shares of the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for shares open for a period fixed by the directors of the Company to holders of shares of the Company on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the directors of the Company 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, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

5. “THAT
- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase shares of the Company on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited or any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission and The Stock Exchange of Hong Kong Limited for such purpose, subject to and in accordance with the rules and regulations of the Securities and Futures Commission, The Stock Exchange of Hong Kong Limited, the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
 - (b) the aggregate nominal amount of shares of the Company which may be repurchased pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) shall be limited accordingly;
 - (c) for the purposes of this resolution, “**Relevant Period**” means the period from the date of 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 the articles of association of the Company or any applicable law of the Cayman Islands to be held; or
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution.”
6. “THAT conditional upon resolutions nos. 4 and 5 above being passed, the general mandate granted to the directors of the Company to exercise the powers of the Company to allot, issue and otherwise deal with shares of the Company pursuant to resolution no. 4 above be and hereby extended by the addition to the aggregate nominal amount of the share capital of the Company which may be allotted by the directors of the Company pursuant to such general mandate an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to resolution no. 5 above, provided that such

amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this resolution.”

7. “**THAT** subject to and conditional upon the Stock Exchange granting the listing of, and permission to deal in, such number of shares of the Company which may fall to be allotted and issued pursuant to the exercise of the option which may be granted under the rules of the new share option scheme (the “**New Scheme**”), a draft of which is produced to the meeting marked “A” and signed by the chairman of the meeting for the purpose of identification, representing an amount (the “**General Scheme Limit**”) up to 10% of the issued shares of the Company as at the day on which this resolution is passed, with effect from the close of business of the day on which this resolution is passed, the rules of the New Scheme be approved and adopted and the Directors be and are hereby authorised:
- (a) to approve any amendments to the rules of the New Scheme as may be acceptable or not objected to by the Stock Exchange;
 - (b) at their absolute discretion to grant options to subscribe for shares of the Company in accordance with the rules of the New Scheme;
 - (c) to allot, issue and deal with shares of the Company pursuant to the exercise of options granted under the New Scheme provided that the aggregate nominal amount of shares which fall to be allotted and issued pursuant to this authority, together with any issue of shares of the Company upon the exercise of any options granted under any other share option scheme as may from time to time be adopted by the Company or its subsidiaries, shall not exceed the General Scheme Limit; and
 - (d) to take all such steps as may be necessary, desirable or expedient to carry the New Scheme into effect.”

By Order of the Board
Lau Wai Shu
Chairman

Hong Kong, 30 June 2011

Registered office:
Cricket Square
Hutchins Drive
P. O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

Head office and principal place of business:
Unit A, 6/F.
Nine Queen’s Road Central
Hong Kong

Notes:

- (a) The register of members of the Company will be closed from Friday, 29 July 2011 to Monday, 1 August 2011, both days inclusive, during which period no transfer of shares will be registered. In order to attend the forthcoming annual general meeting, all transfer of shares, accompanied by the relevant share certificates and transfer forms, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited, 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 28 July 2011.
- (b) Any member of the Company entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Company. A member who is the holder of two or more shares of the Company may appoint more than one proxy to represent him to attend and vote on his behalf. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
- (c) To be valid, a form of proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, must be delivered to the Company's share registrar, Tricor Secretaries Limited, 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting.
- (d) Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the above meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (e) In the case of joint holders of a Share, any one of such joint holders may vote, either in person or by proxy, in respect of such Share as if he/she were solely entitled thereto if more than one of such joint holders are present at the above meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

As at the date of this notice, the executive directors of the Company are Mr. Lau Wai Shu and Mr. Sit Hon Cheong and the independent non-executive directors of the Company are Mr. Lung Hung Cheuk, Ms. Yeung Wing Yan, Wendy and Mr. Yip Tai Him.