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DAIWA ASSOCIATE HOLDINGS LIMITED

台和商事控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock code: 1037)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2011 annual general meeting (the “**Annual General Meeting**”) of Daiwa Associate Holdings Limited (the “**Company**”) will be held at 11th Floor, Block G, East Sun Industrial Centre, 16 Shing Yip Street, Kwun Tong, Kowloon, Hong Kong on Thursday, 25 August 2011 at 11:00 a.m., for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolutions:

1. To receive and consider the audited financial statements and the reports of the directors and independent auditor for the year ended 31 March 2011;
2. To approve a final dividend of HK1.0 cent per share for the year ended 31 March 2011;
3. To re-elect the retiring directors, each as a separate resolution, and to authorise the board of directors (the “**Board**”) to fix their remuneration;
4. To re-appoint PricewaterhouseCoopers as auditors and to authorise the board of directors to fix their remuneration; and
5. To consider and, if thought fit, pass with or without amendments, by way of special business, the following resolution as an **Ordinary Resolution**:

ORDINARY RESOLUTION

(1) “**THAT**:

- (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and all other applicable laws, the exercise by the directors of the Company (the “**Directors**”) during the Relevant Period (as defined in paragraph (d) below) of all

* *For identification purpose only*

the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;

- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal value of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a rights issue (as defined in paragraph (d) below), or (ii) an issue of shares upon the exercise of the subscription rights attaching to any warrants which may be issued by the Company from time to time, or (iii) an issue of shares pursuant to the exercise of options granted pursuant to a share option scheme adopted by the Company under any option scheme or similar arrangement for the time being adopted for the grant or issue to employees (including executive Directors) of the Company and/or any of its subsidiaries of shares or rights to acquire shares, or (iv) any scrip dividend scheme or similar arrangement providing for the allotment and issue of shares in the Company in lieu of the whole or part of a dividend on shares in the Company in accordance with the bye-laws of the Company (the “**Bye-laws**”), shall not exceed 20 per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this Ordinary Resolution and the said approval shall be limited accordingly; and
- (d) 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 the Bye-laws or the Companies Act 1981 of Bermuda or any applicable laws to be held; and
- (iii) the revocation or variations of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares of the Company or issue of options to subscribe for shares of the Company open for a period fixed by the Directors to holders of shares whose names appear on the register of members of the Company 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 any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

(2) **“THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as defined in paragraph (c) below) of all powers of the Company to purchase the shares in the capital of the Company, subject to and in accordance with all applicable laws and regulations, the Bye-laws and/or the requirements of the Listing Rules or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company to be purchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution and the said approval shall be limited accordingly; and
- (c) for the purposes 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 the Bye-laws or the Companies Act 1981 of Bermuda or any other applicable laws to be held; and
 - (iii) the revocation or variations of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

(3) **“THAT:**

conditional upon the passing of Ordinary Resolutions Nos. 5(1) and 5(2) as set out in this notice convening the Annual General Meeting, the general mandate granted to the Directors to exercise the powers of the Company to allot, issue and deal with the shares in the Company pursuant to Ordinary Resolution No. 5(1) of this notice convening the Annual General Meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to Ordinary Resolution

No. 5(2) as set out in this notice convening the Annual General Meeting, providing that such amount shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of this Ordinary Resolution.”

By order of the Board
Daiwa Associate Holdings Limited
Man Wai Chuen
Company Secretary

Hong Kong, 20 July 2011

Notes:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy or proxies to attend and vote on his behalf. A proxy need not be a member of the Company. Completion and return of a form of proxy will not preclude a member from attending and voting in person at the meeting.
2. In order to be valid, a form of proxy together with a power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be deposited at the office of the Company's branch registrar in Hong Kong, Tricor Abacus 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 or adjourned meeting or poll (as the case may be).
3. The Register of Members of the Company will be closed from Friday, 19 August 2011 to Thursday, 25 August 2011, both days inclusive, during which period no transfer of shares can be registered. Shareholders whose names appear in the Register of Members of the Company on Friday, 19 August 2011 are eligible to attend and vote at the Annual General Meeting. All properly completed transfer forms accompanied by relevant share certificates must be lodged with Tricor Abacus Limited, 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:00 p.m. on Thursday, 18 August 2011.
4. The payment of a final dividend HK1.0 cent per share for the year ended 31 March 2011 subject to approval of the shareholders of the Company at the Annual General Meeting. For the purpose of ascertaining shareholders' entitlement to the proposed final dividend, the Register of Members of the Company will be closed on Friday, 2 September 2011. In order to qualify for the entitlement of the final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with Tricor Abacus Limited, 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 1 September 2011.

As at the date of this announcement, the Board comprises four executive directors, namely Mr. Lau Tak Wan, Ms. Chan Yuen Mei, Pinky, Mr. Wan Chor Fai and Mr. Mak Hoi Kai, Stanly and three independent non-executive directors, namely, Mr. Barry John Buttifant, Mr. Choi Yuk Fan and Mr. Liu Ngai Wing.