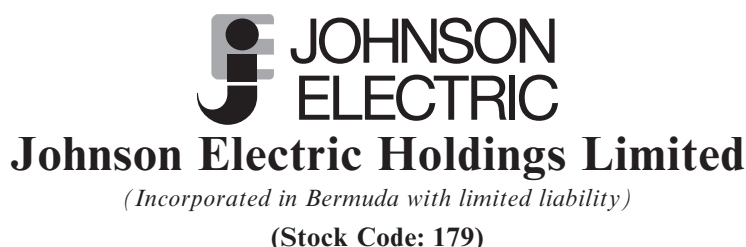

**THIS CIRCULAR IS IMPORTANT AND
REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold all your shares in Johnson Electric Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



**PROPOSALS FOR
RE-ELECTION OF DIRECTORS,
AMENDMENTS TO BYE-LAWS,
GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES,
AMENDMENTS TO LONG-TERM INCENTIVE SHARE SCHEME,
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting of Johnson Electric Holdings Limited to be held at Salon 1-3, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on 20th July 2011 at 12:00 noon is set out on pages 23 to 30 of this circular. Whether or not you are able to attend the meeting, please complete and return the form of proxy in accordance with the instructions printed thereon to the Hong Kong Head Office of the Company at 12 Science Park East Avenue, 6/F, Hong Kong Science Park, Shatin, New Territories, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjourned meeting. Completion of the form of proxy will not preclude Shareholders from attending and voting at the meeting in person should they so wish.

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at Salon 1-3, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on 20th July 2011 at 12:00 noon, notice of which is set out on pages 23 to 30 of this circular, or any adjournment thereof
“Associates”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of directors of the Company or a duly authorised committee thereof
“Bye-laws”	the bye-laws of the Company
“Company”	Johnson Electric Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Connected Persons”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	the proposed ordinary resolution as referred to in resolution no.7 of the Notice of AGM
“Latest Practicable Date”	9th June 2011, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Notice of AGM”	the notice of the AGM set out on pages 23 to 30 of this circular
“Repurchase Mandate”	the proposed ordinary resolution as referred to in resolution no. 8 of the Notice of AGM

“Repurchase Proposal”	the proposal to give a general mandate to the Directors to exercise the powers of the Company to repurchase Shares, during the period as set out in the Repurchase Mandate of up to a maximum of 10% of the issued share capital of the Company at the date of the Repurchase Mandate
“Repurchase Rules”	the relevant rules set out in the Listing Rules to regulate repurchase by companies, with a primary listing on the Stock Exchange, of their own securities on the Stock Exchange
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	registered holder(s) of the Share(s) in issue
“Shares”	fully paid ordinary shares with a nominal value of HK\$0.0125 each of the Company (or, for the purposes of the Share Scheme only and if there has been a sub-division, reduction, consolidation, reclassification or reconstruction of the share capital of the Company, the shares forming part of the ordinary share capital of the Company of such nominal amount as shall result from any such sub-division, reduction, consolidation, reclassification or reconstruction)
“Share Scheme”	the Company’s Long-Term Incentive Share Scheme which was approved and adopted at the annual general meeting of the Company held on 24th August 2009
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers, as amended from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

LETTER FROM THE BOARD

Johnson Electric Holdings Limited

(Incorporated in Bermuda with limited liability)

Board of Directors

Executive Directors

Patrick Shui-Chung Wang *JP*
Chairman and Chief Executive

Winnie Wing-Yee Wang
Vice-Chairman

Austin Jesse Wang

Non-Executive Directors

Yik-Chun Koo Wang
Honorary Chairman

Peter Kin-Chung Wang

Peter Stuart Allenby Edwards*

Patrick Blackwell Paul*

Oscar de Paula Bernardes Neto*

Michael John Enright*

Joseph Chi-Kwong Yam *GBM, GBS, CBE, JP**

* *Independent Non-Executive Director*

Hong Kong Head Office

12 Science Park East Avenue, 6/F
Hong Kong Science Park
Shatin, New Territories
Hong Kong

Registered Office

Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

Dear Sir or Madam,

**PROPOSALS FOR
RE-ELECTION OF DIRECTORS,
AMENDMENTS TO BYE-LAWS,
GRANT OF GENERAL MANDATES
TO ISSUE SHARES AND REPURCHASE SHARES, AND
AMENDMENTS TO SHARE SCHEME**

INTRODUCTION

The purpose of this circular is to give you notice of the AGM and provide you with information on matters to be dealt with at the AGM: (i) re-election of Directors; (ii) amendments to Bye-laws; (iii) grant of general mandate to issue Shares; (iv) grant of general mandate to repurchase Shares; and (v) amendments to Share Scheme.

RE-ELECTION OF DIRECTORS

At the AGM, Ms. Yik-Chun Koo Wang, Ms. Winnie Wing-Yee Wang and Mr. Oscar de Paula Bernardes Neto will retire as Directors by rotation. Mr. Oscar de Paula Bernardes Neto has decided not to present himself for re-election at the AGM due to his other business commitments which require him to devote more time to them. All the other above-mentioned Directors, being eligible, offer themselves for re-election in accordance with Article 109(A) of the Company's Bye-laws.

Mr. Joseph Chi-Kwong Yam was appointed as Independent Non-Executive Director of the Company with effect from 30th September 2010. In accordance with Bye-law 100 of the Bye-laws, his term will expire at the conclusion of the AGM and, being eligible, he will offer himself for re-election by Shareholders at the AGM.

Particulars of the above mentioned Directors offering themselves for re-election at the AGM are set out in Appendix I to this circular.

AMENDMENTS TO BYE-LAWS

A special resolution will be proposed at the AGM to amend the Bye-laws in order to bring the Bye-laws in line with the Listing Rules. The effects of the proposed amendments will, inter alia,

- (i) allow the Company to use the Company's website and other electronic means to send or make available notices or documents to the Shareholders, subject to compliance with the Listing Rules and applicable laws of Bermuda; and
- (ii) allow the Company to send summary financial statement to Shareholders, subject to compliance with the Listing Rules and applicable laws of Bermuda.

The Company's legal advisers, Freshfields Bruckhaus Deringer and APPLEBY, have confirmed that the proposed amendments comply with the requirements of the Listing Rules and the Companies Act 1981 of Bermuda respectively.

The full text of the proposed amendments to the Bye-laws is set out in Resolution 6 of the Notice of AGM on pages 23 to 30 of this circular.

Shareholders are advised that the Bye-laws are written in English only and there is no official Chinese translation. Therefore, the Chinese translation of the proposed amendments to the Bye-laws as set out in this circular and the Notice of AGM is solely for reference purposes. In case of any inconsistency, the English version shall prevail.

GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES

On 28th July 2010, a general and unconditional mandate was given to the Directors to issue, allot and dispose of additional shares of the Company up to 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the relevant resolution. Such general mandate will cease to be effective at the conclusion of the AGM. The Directors believe that the renewal of the general mandate is in the interest of the Company and Shareholders and accordingly, the Issue Mandate will be sought from Shareholders at the AGM to authorise the Directors to issue, allot and dispose of additional shares of the Company up to 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of the relevant resolution. Based on the 3,673,788,920 Shares in issue at the Latest Practicable Date (and assuming that there is no change in respect of the issued share capital of the Company after the Latest Practicable Date and up to the passing of the relevant resolution), the Company will therefore be allowed under the Issue Mandate to issue a maximum of 734,757,784 Shares.

On 28th July 2010, a general and unconditional mandate was also given to the Directors to exercise the powers of the Company to repurchase Shares up to 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the relevant resolution. Such mandate will lapse at the conclusion of the AGM. It is therefore proposed to seek your approval of an ordinary resolution to be proposed at the AGM granting the Repurchase Mandate to the Directors. Based on the 3,673,788,920 Shares in issue at the Latest Practicable Date (and assuming that there is no change in respect of the issued share capital of the Company after the Latest Practicable Date and up to the passing of the relevant resolution), the maximum number of Shares which may be repurchased pursuant to the Repurchase Mandate will be 367,378,892 Shares. In accordance with the Repurchase Rules, the Company is required to send to Shareholders an explanatory statement containing information reasonably necessary to enable Shareholders to make an informed decision on whether to vote for or against the resolution to approve the purchase by the Company of its own shares. This explanatory statement is set out in Appendix II to this circular.

Conditional upon the passing of the Resolutions 7 and 8, an ordinary resolution to authorise the Directors to exercise the powers to issue, allot and dispose of additional shares of the Company under the Issue Mandate in respect of the aggregate nominal amount of the share capital in the Company repurchased by the Company will also be proposed for approval by Shareholders at the AGM.

AMENDMENTS TO SHARE SCHEME

The Share Scheme was approved and adopted at the annual general meeting of the Company held on 24th August 2009. The terms of the Share Scheme are not subject to the provisions of Chapter 17 of the Listing Rules as the Share Scheme does not involve the grant of options by the Company to subscribe for new Shares.

Non-material amendments to the Share Scheme may be approved by the Board. However, pursuant to the terms of the Share Scheme, any material amendments to the Share Scheme must be approved by the Shareholders in a general meeting before they can be implemented. Shareholders to whom or for whose benefit awards may be granted under the Share Scheme and the Associates of any such Shareholders are required by the terms of the Share Scheme to abstain from voting on the relevant resolution.

The Board wishes to make a number of non-material and material amendments to the Share Scheme. All non-material amendments, which are clarificatory in nature and do not affect the operation of the Share Scheme, were approved by the Board on 31st May 2011, subject to the Shareholders approving the material amendments in general meeting. The Board therefore proposes in resolution no. 10 of the Notice of AGM set out on page 29 of this circular that the Shareholders approve the proposed material amendments to the Share Scheme. Details of, and explanations for, the proposed material amendments are set out in Appendix III to this circular.

A copy of the Share Scheme reflecting both (i) the non-material amendments conditionally approved by the Board on 31st May 2011 and (ii) the proposed material amendments set out in Appendix III to this circular is available for inspection, as noted on page 15 of this circular.

If the proposed material amendments to the Share Scheme are approved by the Shareholders, such material amendments, and the non-material amendments approved by the Board on 31st May 2011, shall take effect immediately upon the passing of the relevant resolution. All other existing terms of the Share Scheme will remain unchanged.

NOTICE OF ANNUAL GENERAL MEETING

The Notice of AGM, which contains resolutions in respect of the re-election of Directors, amendments to Bye-laws, Issue Mandate, Repurchase Mandate and amendments to Share Scheme is set out on pages 23 to 30 of this circular.

There is enclosed a form of proxy for use at the AGM. Whether or not you intend to be present at the AGM, you are requested to complete the form of proxy and return it to the Hong Kong Head Office of the Company in accordance with the instructions printed thereon not less than 48 hours before the time fixed for holding the AGM. The completion and return of the form of proxy will not prevent you from attending and voting in person at the AGM should you so wish.

VOTING BY WAY OF POLL

Pursuant to Rule 13.39 of the Listing Rules, all votes of the Shareholders at general meetings must be taken by poll. The Chairman will therefore demand a poll for every resolution put to the vote of the AGM. Pursuant to Bye-law 78 of the Bye-laws, a poll may be demanded by:

- (i) the Chairman of the meeting; or
- (ii) at least three members present in person or by duly authorised corporate representative or by proxy for the time being entitled to vote at the meeting; or

- (iii) any member or members present in person or by duly authorised corporate representative or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (iv) a member or members present in person or by duly authorised corporate 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 the shares conferring that right.

The results of the poll will be published on the Company's and HKExnews websites following the AGM.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

RECOMMENDATIONS

The Directors believe that the resolutions set out in the Notice of AGM are in the best interests of the Company, the Group and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolutions to be proposed at the AGM.

Yours faithfully,

On behalf of the Board

Patrick Shui-Chung Wang
Chairman and Chief Executive

Hong Kong, 16th June 2011

APPENDIX I DETAILS OF DIRECTORS OFFERING THEMSELVES FOR RE-ELECTION

The following are the particulars of the Directors proposed to be re-elected at the AGM:

Yik-Chun Koo Wang
Non-Executive Director
Honorary Chairman

Yik-Chun Koo Wang, age 94, is Honorary Chairman of the Company and co-founder of the Johnson Electric Group. She was Vice-Chairman of the Group in 1984 and was actively involved in the development of the Group in its early stages. Madam Wang is the Honorary Chairlady of Tristate Holdings Limited. Save as disclosed above, she has not held any directorship in other public companies during the last three years.

Madam Wang has not entered into any service contract with the Company, but she is subject to retirement by rotation and re-election at an annual general meeting of the Company in accordance with the Bye-laws. Her emolument is determined by the Remuneration Committee with reference to her experience, as well as remuneration benchmarks in the industry and the prevailing market trends. The director's emolument received by Madam Wang for the year ended 31st March 2011 is set out in note 28.2 to the accounts of the Company's Annual Report 2011.

Madam Wang is the mother of Dr. Patrick Shui-Chung Wang, the Chairman and Chief Executive; Ms. Winnie Wing-Yee Wang, the Vice-Chairman and Mr. Peter Kin-Chung Wang, a Non-Executive Director; and the grandmother of Mr. Austin Jesse Wang, an Executive Director.

As at the Latest Practicable Date, the trustees of various trusts associated with the Wang family, of which Madam Wang is a beneficiary, hold directly or indirectly 2,180,860,880 (59.36%) Shares of the Company. Save as disclosed above, Madam Wang does not have any other interest in the Shares of the Company which is required to be disclosed pursuant to Part XV of the SFO.

Save as disclosed above, there is no other information that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders in respect of her re-election.

Winnie Wing-Yee Wang
Vice-Chairman
Member of Remuneration Committee

Winnie Wing-Yee Wang, age 64, obtained her BSc degree from Ohio University in USA. She joined the Johnson Electric Group in 1969. She became a director in 1971 and Executive Director in 1984 and was elected Vice-Chairman in 1996. Ms. Wang is a non-executive director of Tristate Holdings Limited. Save as disclosed above, she has not held any directorship in other public companies during the last three years.

Ms. Wang has not entered into any service contract with the Company, but she is subject to retirement by rotation and re-election at an annual general meeting of the Company in accordance with the Bye-laws. Her director's emolument is determined by the Remuneration Committee with reference to her experience, as well as remuneration benchmarks in the industry and the prevailing market trends. The director's emolument received by Ms. Wang for the year ended 31st March 2011 is set out in note 28.2 to the accounts of the Company's Annual Report 2011.

Ms. Wang is a daughter of Ms. Yik-Chun Koo Wang, the Honorary Chairman; a sister of Dr. Patrick Shui-Chung Wang, the Chairman and Chief Executive and Mr. Peter Kin-Chung Wang, a Non-Executive Director; and an aunt of Mr. Austin Jesse Wang, an Executive Director. Ms. Wang does not have any interest in the Shares of the Company which is required to be disclosed pursuant to Part XV of the SFO.

Save as disclosed above, there is no other information that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders in respect of her re-election.

Joseph Chi-Kwong Yam *GBM, GBS, CBE, JP*
Independent Non-Executive Director

Joseph Chi-Kwong Yam, age 63, has been an Independent Non-Executive Director of the Company since 2010. He graduated from the University of Hong Kong with first class honours in 1970. Over the years, he has received a number of honorary doctorate degrees and professorships from universities in Hong Kong and overseas. Mr. Yam was awarded the highest honour of the Grand Bauhinia Medal by the Government of the Hong Kong Special Administrative Region in 2009. He was Chief Executive of the Hong Kong Monetary Authority from 1993 to September 2009. He is Executive Vice President of the China Society for Finance and Banking, a society managed by the People's Bank of China, Distinguished Research Fellow of the Institute of Global Economics and Finance at The Chinese University of Hong Kong and Chairman of Macroprudential Consultancy Limited. Mr. Yam is a member of the Board of Directors, the Corporate Responsibility Committee and the Risk Committee of UBS AG. He is also an independent non-executive director of China Construction Bank Corporation and a member of the advisory committees of a number of academic and private institutions focusing in finance. Save as disclosed above, he has not held any directorship in other public companies during the last three years.

Mr. Yam has not entered into any service contract with the Company. He was appointed for a term of two years subject to retirement by rotation and re-election at an annual general meeting of the Company in accordance with the Bye-laws. His director's fee is determined by the Remuneration Committee with reference to remuneration benchmarks in the industry and the prevailing market trends. The director's fee received by Mr. Yam for the year ended 31st March 2011 is set out in note 28.2 to the accounts of the Company's Annual Report 2011.

Mr. Yam is not connected with any other director, the senior management or any substantial or controlling shareholder of the Company, nor does he have any interest in the Shares of the Company which is required to be disclosed pursuant to Part XV of the SFO.

Save as disclosed above, there is no other information that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules nor are there other matters that need to be brought to the attention of the Shareholders in respect of his re-election.

The following is the Explanatory Statement required to be sent to Shareholders under the Listing Rules in connection with the proposed Repurchase Mandate to be granted to the Directors of the Company.

SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 3,673,788,920 Shares. Exercise in full of the Repurchase Mandate, on the basis that no further Shares are issued or repurchased prior to the date of the AGM, would accordingly result in up to 367,378,892 Shares, representing 10% of the Shares in issue, being repurchased by the Company during the course of the period ending on the earliest of the date of the annual general meeting in 2012, the date by which the next annual general meeting of the Company is required to be held by law and the date upon which such authority is revoked or varied.

REASONS FOR REPURCHASE

The Directors believe that the Repurchase Proposal is in the best interests of the Company and its Shareholders. Such purchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per share of the Company and will only be made when the Directors believe that such a purchase will benefit the Company and its Shareholders.

FUNDING OF REPURCHASES

Pursuant to the Repurchase Mandate repurchases would be funded entirely from the Company's available cash flow or working capital facilities which will be funds legally available for the purpose in accordance with its Memorandum of Association and Bye-laws and the laws of Bermuda.

The Company is empowered by its Memorandum of Association and Bye-laws to repurchase its Shares and Bermuda law provides that the amount of capital repaid in connection with a share repurchase may only be paid out of the capital paid up on the relevant Shares, or from the profits that would otherwise be available for distribution by way of dividend, or from the proceeds of a new issue of shares made for the purpose. The amount of premium payable on redemption may only be paid out of either the profits that would otherwise be available for distribution by way of dividend or out of the Company's share premium account or contributed surplus account.

In the event that the Repurchase Mandate is approved by Shareholders, the Directors have no immediate plans to exercise the authority conferred upon them in respect of the repurchase by the Company of its own Shares. However, the Directors wish to obtain the necessary authority in order to give themselves flexibility to engage in share repurchases should they consider it to be in the best interests of the Company and its Shareholders, although the circumstances in which this may arise cannot yet be foreseen.

If, which is not presently contemplated, the Company was to repurchase its Shares up to the permitted maximum of 10% of its existing issued share capital as at the Latest Practicable Date immediately upon the general mandate being approved by Shareholders, it is likely that there would be a material adverse impact on the working capital position or gearing position of the Group in comparison to the position shown, as at 31st March 2011, in the Group's audited consolidated accounts. However, the Directors do not propose to use their authority to make any repurchases which would have a material adverse impact on the working capital or gearing position of the Group given the financial position of the Group at the time of the relevant repurchases, unless the Directors determine that such repurchases were, taking account of all relevant factors, in the best interests of the Company and its Shareholders.

SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange in each of the previous twelve months were as follows:

	Highest HK\$	Lowest HK\$		Highest HK\$	Lowest HK\$
June 2010	4.18	3.48	January 2011	6.14	5.44
July 2010	3.70	3.33	February 2011	5.82	4.70
August 2010	3.92	3.34	March 2011	4.95	4.22
September 2010	4.18	3.40	April 2011	5.09	4.56
October 2010	4.39	3.99	May 2011	5.08	4.50
November 2010	6.03	4.06	June 2011 (up to the Latest Practicable Date)	5.33	4.88
December 2010	5.91	5.30			

DISCLOSURE OF INTERESTS

None of the Directors, or to the best of their knowledge, having made all reasonable enquiries, their Associates, have any present intention if the Repurchase Mandate is approved and exercised to sell any Shares to the Company or its subsidiaries.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Bermuda.

As at the Latest Practicable Date, the trustees of various trusts associated with the Wang family hold directly or indirectly 59.36% of the issued share capital of the Company. As at that date, 40.64% of the issued share capital of the Company was in the hands of the public.

If, which is not presently contemplated, the Company was to repurchase Shares up to the permitted maximum of 10% of its existing issued share capital as at the Latest Practicable Date from the public shareholding, the percentage shareholding of the various Wang family trusts would increase to 65.96%. To the best knowledge of the Directors, these situations would not give rise to any consequences under the Takeovers Code and at least 25% of the issued share capital of the Company would still remain in the public hands.

No other Connected Persons have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, if the Repurchase Mandate is approved and exercised.

SHARE PURCHASE MADE BY THE COMPANY

The Company has not purchased any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the date of this document except in connection with the share purchase for the Long-Term Incentive Share Scheme for eligible Employees and Directors.

The material changes proposed to be made to the Share Scheme are set out in this Appendix III. For ease of reference, the text of the relevant provisions of the Share Scheme as amended are also reproduced below. Words that are struck through represent proposed deletions and words that are underlined represent proposed additions. A copy of the rules of the Share Scheme reflecting (i) the non-material amendments conditionally approved by the Board on 31st May 2011 and (ii) the proposed material amendments set out in this Appendix III are available for inspection, as noted on page 15 of this circular.

THE SHARE SCHEME

Cash Payment in lieu of Shares

1. It is proposed that the term “Award” be defined as follows so as to enable the Directors to award a cash payment in lieu of Shares to grantees of awards under the Share Scheme:

“Award means a conditional right to receive (i) Shares; or (ii) a Cash Payment;”

2. It is accordingly proposed that the terms “Cash Payment”, “Market Value”, “Black-out Period”, “vest”, “Vesting Date” and “vesting period” be defined as follows:

“Cash Payment means an amount in cash to be determined in accordance with the formula:

Cash Payment = A x B

where A = the number of Shares in respect of which the Award has vested; and

B = the Market Value of a Share on the Vesting Date; or, if the Vesting Date is not a business day, the Market Value on the last business day preceding the Vesting Date; or, if an Award vests during a Black-out Period, the Market Value on the first business day following the expiry of the Black-out Period;”

“Market Value means, in relation to a Share, the closing price of a Share as stated in the Stock Exchange’s daily quotations sheet;”

“Black-out Period means any day on which the Company’s financial results are published and:

- (i) the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
- (ii) the period of 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results;”

“*vest* means, with respect to an Award granted to a Grantee, the time when the Grantee becomes entitled to receive all or a proportion of the Shares underlying the Award or a Cash Payment in accordance with the terms of the relevant Award and the rules of this Scheme;”

“*Vesting Date* means, with respect to an Award granted to a Grantee, the date on which the Award vests;” and

“*vesting period* means the period from the grant of the Award through to the expiry of the Vesting Date.”

3. Accordingly, the following amendments to clause 4 are proposed to clarify the maximum number of Shares in respect of which awards may be granted under the Share Scheme:

“4. **MAXIMUM NUMBER OF SHARES AVAILABLE FOR GRANT**

4.01 The maximum number of Shares ~~which that~~ may be ~~underlie~~ Awards granted under the Scheme, when aggregated with any Shares ~~subject to underlying Awards granted under any other existing~~ scheme of the Company, is 91,844,723 Shares or 2.5% of the Shares of the Company in issue as at the date of approval of the Scheme ~~excluding any Shares issued pursuant to the Scheme and any other existing scheme.~~

4.02 Shares underlying Awards granted under this Scheme and any other scheme of the Company:

(a) which have been or which the Board has determined shall be satisfied by a Cash Payment; or

(b) which have lapsed or been cancelled in accordance with the rules of the relevant scheme,

shall not be counted for the purposes of calculating whether the limits referred to in paragraphs 3.03 and 4.01 have been exceeded.”

4. The following definition of “Custodian” and amendments to clause 5 are proposed to clarify the source of funding and transfer mechanics of an award:

“*Custodian* means the third-party institution or agency appointed by the Company from time to time whose role includes that ascribed to it in paragraph 5.02;”

“5. **SOURCES OF AND FUNDING FOR THE SHARES AND CASH PAYMENTS**

5.01 The Board may determine at any time prior to the Vesting Date whether an Award shall be satisfied with Shares or a Cash Payment, except that no such determination may be made during a Black-out Period.

5.02 Where the Board determines that an Award is to be satisfied with Shares, the Shares to be ~~granted to the Employees transferred to Employee Grantees will~~ be existing Shares to be purchased in the open market by ~~a custodian (the “Custodian”)~~ to be appointed by the Company and/or new Shares to be issued

by the Company upon subscription by the Custodian. The Shares to be ~~granted~~ transferred to the ~~Directors~~ Director Grantees will be existing Shares to be purchased in the open market by the Custodian. Where new Shares are to be subscribed ~~for~~ by the Custodian, the Subscription Price shall be the higher of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of ~~grant~~ subscription, which must be a business day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of ~~grant~~ subscription for the Shares; or (iii) the nominal value of the ~~Share~~ Shares (whichever is the greatest). Funding for the purchase of or subscription for the relevant Shares will be provided by the retained earnings of the Company or its subsidiaries and shall be funds legally available for such purpose in accordance with the Company's constitutional documents and the laws of the jurisdiction in which the Company is incorporated or otherwise established. ~~The~~

5.03 Shares which are the subject of an Award will be held by the Custodian for the benefit of the relevant Grantee until fulfilment of the conditions imposed by the Company when the Shares are granted. Once the conditions are fulfilled, the Shares will be releasedthe Vesting Date, following which such number of the Shares as have vested will be transferred; by the Custodian to the Grantee unconditionally within ~~30~~60 days.

5.04 Where the Board determines that an Award is to be satisfied with a Cash Payment, the Company shall pay or shall procure the payment of the Cash Payment to the Grantee within 60 days of the Vesting Date or, in the case of an Award which vests during a Black-out Period, within 60 days of the expiry of such Black-out Period. For the avoidance of doubt, no Cash Payment shall be funded by the sale of Shares which were subscribed for and newly issued to the Custodian pursuant to paragraph 5.02.

5.05 The transfer of Shares or payment of the Cash Payment pursuant to this paragraph 5 will be in full satisfaction of a Grantee's rights under an Award granted pursuant to this Scheme."

Rights attaching to Awards

It is proposed that clause 6 be amended in order to clarify the rights attaching to awards granted under the Share Scheme:

"6. PARI PASSU RIGHTS ATTACHING TO AWARDS

6.01 An Award shall be personal to the Grantee and shall not be assignable or transferable by the Grantee save with the prior written consent of the Board, by the Grantee's will or by the laws of testacy and distribution.

6.02 An Award does not carry any right to vote at general meetings of the Company, or to any dividend, distribution, transfer or other rights (including those arising on the liquidation of the Company). No Grantee shall enjoy any of the rights of a holder of Shares by virtue of the grant of an Award pursuant to this Scheme, unless and until the Shares underlying the Award are actually transferred to the Grantee pursuant to the vesting of the Award.

6.03 Subject to the foregoing and to any contractual agreements entered into between the Company and a Grantee, the Shares to be granted transferred to a Grantee pursuant to the Scheme will be subject to all the provisions of the Byebye-Laws of the Company and will rank pari passu in all respects with, and shall have the same voting, dividend, transfer and other rights (including those rights arising on a liquidation of the Company) as, the existing issued Shares on the date the Custodian is registered as the holder of the Shares and will not rank for a dividend Shares are transferred to the Grantee pursuant to the vesting of the Award, and, without prejudice to the generality of the foregoing, shall entitle the Grantee to participate in all dividends or other distributions paid or made on or after the date on which Shares are transferred, other than dividends or distributions previously declared, recommended or proposed resolved to be paid to the holders of Shares on the register on a record date prior to the date of grant of on which the Shares are transferred to the Grantee.”

Criteria for Awards

The following amendments to clause 7 are proposed to clarify the conditions which may be required to be satisfied in order for awards to vest, and the circumstances (including a grantee’s ceasing to be in the Company’s employment or service) in which awards will partially vest or be cancelled:

“7. THE NUMBER OF SHARES AWARDS TO BE GRANTED TO EMPLOYEE EMPLOYEES AND DIRECTOR DIRECTORS AND LOSS CANCELLATION OF ELIGIBILITY AWARDS

7.01 Granting of Shares Awards to Employees

At Prior to the beginning grant of each performance cycle Awards to Employees, the Board shall determine the length of the performance cycle, the performance conditions appropriate to the business objectives of the Company, the number of Shares underlying the Award to be granted to each Employee, the allocation of the grant between Shares with and without proportion of such Shares for which vesting will be subject to performance conditions, and the vesting period, if any. The Employee Grantee, of each of the Awards. An Award will normally become entitled to the Shares only after remaining vest only if the Employee Grantee remains employed for the specified performance cycle or vesting period (if any) and only if the vesting and/or performance conditions (if any) are met. If an Employee Grantee leaves the Company during the aforesaid period (except in the case of normal retirement, disability, or death), his/her conditional entitlement to those Shares will lapse and the Shares will be made available for other Employees which may be granted Shares pursuant to the scheme. If performance targets on before the Vesting Date and/or the performance conditions are only partially achieved or not achieved, some or all of the conditional entitlement to the Shares will lapse. No dividends are payable on Shares which have been granted conditionally and not yet vested. the Board at its sole discretion shall determine what portion of the Award (if any) will vest and the date of any such vesting.

7.02 Granting of Shares Awards to Directors

~~At the beginning of each financial year, the Board shall determine the vesting conditions, the number of Shares to be granted to each Director and the vesting period, if any. The Director Grantee will normally become entitled to the Shares only after holding his/her directorship in the Company for the vesting period. If a Director Grantee resigns from his/her directorship during the aforesaid period (except in the case of disability or death), his/her conditional entitlement to those Shares will lapse. No dividends are payable on shares which have been granted conditionally and not yet vested. No Director is involved in deciding his/her own grant of Shares.~~

Prior to the grant of Awards to Directors, the Board shall determine the performance conditions (if any), the number of Shares underlying the Award to be granted to each Director, the proportion of such Shares for which vesting will be subject to performance conditions and the vesting period, if any, of each of the Awards. An Award will normally vest only if the Director Grantee holds his/her directorship in the Company for the vesting period (if any) and only if the performance conditions (if any) are met. If a Director Grantee resigns from his/her directorship before the Vesting Date and/or the performance conditions are only partially achieved or not achieved, the Board at its sole discretion shall determine what portion of the Award (if any) will vest and the date of any such vesting. No Director is involved in decisions relating to the performance conditions, number of underlying Shares, or the vesting period, if any, of his/her own Award.

7.03 Save as otherwise provided by this Scheme, an unvested Award shall be cancelled automatically on the earlier of (i) the date on which a Grantee's employment or service with the Company ceases; (ii) the date on which a Grantee commits a breach of paragraph 6.01; or (iii) the date on which the Board determines that the performance conditions have not been satisfied.

7.04 The Board may at any time cancel any Award which has been granted to a Grantee and which has not yet vested."

Reorganisation of Capital Structure

It is proposed that clause 9 be amended as follows so as to clarify the circumstances in which the number or nominal value of Shares underlying an unvested award may be altered, and the procedure for ensuring that any such alteration is fair and reasonable:

"9. REORGANISATION OF CAPITAL STRUCTURE

In the event of any alteration in the capital structure of the Company whilst any Awards granted under the Scheme remain unvested, whether by way of grants made under the Scheme remain exercisable, whether by way of capitalisation of profits or reserves, rights issue, consolidation, subdivision or reduction of the share capital of the Company or otherwise howsoever in accordance with legal requirements and requirements of the Stock Exchange (other than any alteration in the capital structure of the Company as a result of an issue of

Shares as consideration in a transaction to which the Company or any of its subsidiaries is a party or in connection with any share option, restricted share or other equity-based incentive schemes of the Company), such corresponding alterations (if any) shall be made ~~in~~ to the number or nominal value of the Shares underlying the unvested Awards, provided that any such adjustments give a Grantee substantially the same proportion of the share capital of the Company as that to which that Grantee was previously entitled. In respect of any such adjustments, the Auditors or an independent financial adviser to the Company (as the case may be) must confirm to the Directors in writing that the adjustments are in their opinion fair and reasonable. The Auditors or independent financial advisers (as applicable) shall be engaged (in the capacity of experts and not as arbitrators) to certify in writing, either generally or as regards any particular Grantee, that the adjustments made pursuant to this paragraph satisfy the requirements of this paragraph, and such certification shall, in the absence of manifest error, be final and binding on the Company, the Grantees and the Custodian. The costs of the Auditors or independent financial advisers (as applicable) shall be borne by the Company.

(a) ~~the subject matter of the Scheme so far as unexercised; and/or~~

(b) ~~the method of exercise of the Scheme.”~~

Disputes

It is proposed that the dispute provision in the Share Scheme be amended to clarify that disputes arising in connection with the Share Scheme will in the first instance be referred to the Board, who may then subsequently refer them to the Company's auditors where appropriate. This amendment would ensure that the auditors would not be required to act as experts on matters that they are not qualified to deal with:

“11. DISPUTES

Any dispute arising in connection with the Scheme (such ~~including~~ but not limited to disputes as to the number of Shares which are the subject of ~~the Scheme or otherwise~~ ~~shall an Award~~) shall be referred to the decision of the Board in the first instance, which decision shall, in the absence of manifest error, be final and binding on the Company and the Grantee. Should the Board, in its sole discretion, decide, any dispute referred to it may subsequently be referred to the decision of the Auditors who shall then act as experts and not as arbitrators and whose decision shall, in the absence of manifest error, be final and binding ~~on the Company and the Grantee~~. In such case, the costs of the Auditors shall be shared equally between the Company and the Grantee.”

Modification of the Share Scheme

It is proposed that clause 12 be amended as follows because the Stock Exchange's approval is not required in order for the terms of the Share Scheme to be altered:

“12. MODIFICATION OF THE SCHEME

The Scheme may be altered in any respect by resolution of the Board except with regard to ~~the provisions of the Scheme referred to here:~~

- (a) proposed alterations to terms and conditions which are of a material nature or to terms of Shares Awards granted, except where the alterations take effect automatically under the existing terms of the Scheme; or
- (b) proposed changes to the authority of the Board in relation to any alteration to the terms of the Scheme;

which may not be made except with the prior sanction of:—(i) a resolution of the Company in general meeting in which any persons to whom or for whose benefit Shares Awards may be granted under the Scheme and their associates shall abstain from voting on the resolution; and

(ii) the approval from the Stock Exchange.

The Board’s determination as to whether proposed alterations to the terms and conditions of this Scheme are material shall be conclusive.”

Miscellaneous

It is proposed that the following additional sub-clauses be added to clause 14 in place of the old clause 14.04 so as to clarify the rights of a grantee under the Share Scheme and his/her obligations regarding taxes and regulatory consents in relation to participation in the Share Scheme:

“14.02 This Scheme shall not form part of any contract of employment or engagement of services between the Company or any of its subsidiaries and any Grantee and the rights and obligations of any Grantee under the terms of his office, employment or engagement in services shall not be affected by the participation of the Grantee in this Scheme or any right which he may have to participate in it and this Scheme shall afford such Grantee no additional rights to compensation or damages in consequence of the termination (howsoever caused) of such office, employment or engagement for any reason (whether lawful or unlawful).

14.03 Any liability of a Grantee to tax or social security contributions in respect of an Award shall be for the account of the Grantee and the transfer of Shares or making of a Cash Payment to a Grantee pursuant to the vesting of his Awards shall be conditional on the Grantee complying with any arrangements specified by the Company or the Custodian for the payment of any tax and social security contributions (including, without limitation, authorising (a) the Company or the Custodian to sell, on behalf of the Grantee, a sufficient number of the Shares transferred to the Grantee pursuant to the vesting of his Awards to satisfy any tax and social security contribution liability or (b) the Company to withhold the amount of any tax and social security contribution liability from any Cash Payment, remuneration or other amounts owing to the Grantee). All transaction levy, brokerage, stamp duty or other expenses of that nature payable in connection with the transfer of Shares upon the vesting of an Award shall be borne by the Company.

14.04 All transfers of Shares to a Grantee will be subject to all necessary consents under any relevant legislation for the time being in force in Hong Kong, Bermuda and such other jurisdictions where a Grantee is located, resident or employed. A Grantee shall be responsible for obtaining any governmental or other official consent and going through any other governmental or other official procedures that may be required by any country or jurisdiction for the grant or vesting of his Award. A Grantee shall pay all tax and discharge all other liabilities to which he may become subject to as a result of his participation in this Scheme or the vesting of any Award. The Company or any of its subsidiaries may coordinate or assist a Grantee in complying with such applicable requirements and taking any other actions as may be required by any applicable laws, regulations or rules, however, neither the Company nor any of its subsidiaries shall be responsible for any failure by a Grantee to obtain any such consent or for any tax or other liability to which a Grantee may become subject as a result of his participation in this Scheme. A Grantee shall, on demand, indemnify the Company in full against all claims and demands which may be made against the Company (whether alone or jointly with other party or parties) for or in respect of or in connection with any failure on the part of the Grantee to obtain any necessary consent referred to above or to pay tax or other liabilities referred to above and against all incidental costs and expenses which may be incurred by the Company.

~~14.04 A Grantee shall be responsible for obtaining any governmental or other official consent that may be required by any country or jurisdiction in order to permit the grant of the Scheme. The Company shall not be responsible for any failure by a Grantee to obtain any such consent or for any tax or other liability to which a Grantee may become subject as a result of his or her participation in the Scheme.”~~

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Johnson Electric Holdings Limited (the “Company”) will be held at Salon 1-3, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Wednesday, 20th July 2011 at 12:00 noon for the following purposes:

1. To receive and adopt the Audited Consolidated Accounts and the Reports of the Directors and of the Auditor for the year ended 31st March 2011;
2. To declare a final dividend in respect of the year ended 31st March 2011;
3. To re-elect the following Directors:
 - (a) Ms. Yik-Chun Koo Wang as a non-executive director;
 - (b) Ms. Winnie Wing-Yee Wang as an executive director; and
 - (c) Mr. Joseph Chi-Kwong Yam as an independent non-executive director;
4. To confirm the fees of Directors;
5. To re-appoint the Auditor and to authorise the Directors to fix its remuneration;
6. As special business, to consider and, if thought fit, pass the following as a Special Resolution:

“**THAT** the Bye-laws of the Company be amended as follows:

- (a) Bye-law 1
 - (i) by inserting the following new definition of “address” immediately before the existing definition of “Bermuda” in Bye-law 1:

““address”	shall have the ordinary meaning given to it and shall include any facsimile number, electronic number or address or website used for the purposes of any communication pursuant to these Bye-laws;”
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- (ii) by inserting the following new definition of “electronic” immediately after the existing definition of “dividend” in Bye-law 1:

““electronic”	shall mean relating to technology having electrical, digital, magnetic, wireless, optical electromagnetic or similar capabilities and such other meanings as given to it in the Electronic Transactions Act 1999 of Bermuda as may be amended from time to time;”
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- (iii) by deleting the existing definition of “Hong Kong” in its entirety in Bye-law 1 and substituting therefor the following new definition of “Hong Kong”:

““Hong Kong” shall mean Hong Kong Special Administrative Region of the People’s Republic of China;”

- (iv) by inserting the following new definition of “summarized financial statements” immediately after the existing definition of “seal” in Bye-law 1:

““summarized financial statements” shall mean summarized financial statements which comply with section 87A of the Companies Act (as may be amended from time to time) and the rules prescribed by the stock exchange in the Relevant Territory;”

- (v) by inserting the following new definition of “full financial statements” immediately after the existing definition of “dividend” in Bye-law 1:

““full financial statements” shall mean the financial statements that comply with section 87(1) of the Companies Act (as may be amended from time to time) and the rules prescribed by the stock exchange in the Relevant Territory;”

- (vi) by deleting the existing definition of “the Statutes” in its entirety in Bye-law 1 and substituting therefor the following new definition of “Statutes”:

““Statutes” shall mean the Companies Act, the Electronic Transactions Act 1999 of Bermuda, and every other act (as amended from time to time) for the time being in force of the Legislature of Bermuda applying to or affecting the Company, the Memorandum of Association and/or these presents;”

- (vii) by inserting the following new definition of “Newspapers” immediately after the existing definition of “Head Office” in Bye-law 1:

““Newspapers” in relation to the publication in newspapers of any notice or document, shall mean in English in one leading English language daily newspaper and in Chinese in one leading Chinese language daily newspaper published and circulating generally in the Relevant Territory and specified for this purpose by the stock exchange in the Relevant Territory;”

(viii) by inserting the following new definition of “appointed newspaper” immediately before the existing definition of “Bermuda” in Bye-law 1:

““appointed newspaper” shall have the meaning as defined in the Companies Act;”

(b) Bye-law 46

By deleting the existing Bye-law 46 in its entirety and substituting therefor the following new Bye-law 46:

“46. The registration of transfers may be suspended and the register may be closed at such times and for such periods as the Directors may from time to time determine and either generally or in respect of any class of shares. The register shall not be closed for more than thirty days in any year.”

(c) Bye-law 172

(i) By deleting the word “Every” at the beginning of the existing paragraph (B) of Bye-law 172 and substituting therefor the words “Subject to paragraph (C) below, every”;

(ii) By inserting the following new paragraphs (C) and (D) immediately following the existing paragraph (B) of Bye-law 172:

“(C) The Company may send summarized financial statements to members of the Company who have, in accordance with the Statutes and any applicable rules prescribed by the stock exchange in the Relevant Territory, consented and elected to receive summarized financial statements instead of the full financial statements. The summarized financial statements must be accompanied by an auditor’s report and notice informing such members how to notify the Company that they elect to receive the full financial statements. The summarized financial statements, notice and auditor’s report must be sent not less than twenty-one days before the general meeting to those members that have consented and elected to receive the summarized financial statements.

(D) Subject to Section 88 of the Companies Act, the Company shall send the full financial statements to a member within seven days of receipt of the member’s election to receive the full financial statements.”

(d) Bye-law 176

By deleting the existing Bye-law 176 in its entirety and substituting therefor the following new Bye-law 176:

“176. (A) (i) Except where otherwise expressly stated, any notice or document to be given to or by any person pursuant to these Bye-laws shall be in writing or, to the extent permitted by the Statutes and any applicable rules prescribed by the stock exchange in the Relevant Territory from time to time and subject to this Bye-law, contained in an electronic communication. A notice calling a meeting of the Directors need not be in writing.

(ii) Any notice or document to be given to or by any person pursuant to these Bye-laws may be served on or delivered to any shareholder of the Company either personally or by sending it through the post in a prepaid envelope or wrapper addressed to such shareholder at his registered address as appearing in the register or by leaving it at that address addressed to the shareholder or by any other means authorised in writing by the shareholder concerned or (other than share certificates) by publishing it by way of advertisement in at least one English language newspaper and one Chinese language newspaper circulating generally in Hong Kong. In case of joint holders of a share, all notices shall be given to that one of the joint holders whose name stands first in the register and notice so given shall be sufficient notice to all the joint holders. Without limiting the generality of the foregoing but subject to the Statutes and any rules prescribed by the stock exchange in the Relevant Territory from time to time, a notice or document may be served or delivered by the Company to any shareholder by electronic means to such address as may from time to time be authorised by the shareholder concerned or by publishing it on a website and notifying the shareholder concerned that it has been so published (“notice of availability”).

(iii) Any such notice or document may be served or delivered by the Company by reference to the register as it stands at any time not more than fifteen days before the date of service or delivery. No change in the register after that time shall invalidate that service or delivery. Where any notice or document is served or delivered to any person in respect of a share in accordance with these Bye-laws, no person deriving any title or interest in that share shall be entitled to any further service or delivery of that notice or document.

(B) (i) Any notice or document required to be sent to or served upon the Company, or upon any officer of the Company, may be sent or served by leaving the same or sending it through the post in a prepaid envelope or wrapper addressed to the Company or to such officer at the Head Office or Registered Office.

(ii) The Directors may from time to time specify the form and manner in which a notice may be given to the Company by electronic means, including one or more addresses for the receipt of an electronic communication, and may prescribe such procedures as they think fit for verifying the authenticity or integrity of any such electronic communication. Any notice may be given to the Company by electronic means only if it is given in accordance with the requirements specified by the Directors.”

(e) Bye-law 178

By deleting the existing Bye-law 178 in its entirety and substituting therefor the following new Bye-law 178:

“178. Any notice or other document, if sent by mail, postage prepaid, shall be deemed to have been served or delivered on the day following that on which the letter, envelope, or wrapper containing the same is put into the post. In proving such service it shall be sufficient to prove that the letter, envelope or wrapper containing the notice or document was properly addressed and put into the post as prepaid mail. Any notice or document not sent by post but left by the Company at the address of a shareholder noted on the register shall be deemed to have been served or delivered on the day it was so left. Any notice or document, if sent by electronic means, shall be deemed to be have been given on the day following that on which the electronic communication was sent by or on behalf of the Company. Any notice or document served or delivered by the Company by any other means authorised in writing by the shareholder concerned shall be deemed to have been served when the Company has carried out the action it has been authorised to take for that purpose. Any notice or other document published by way of advertisement in the Newspapers or in an appointed newspaper shall be deemed to have been served or delivered on the day it was so published. Any notice or document published on a website shall be deemed given by the Company to a shareholder on the later of (i) the date on which a notice of availability is deemed served on such shareholder and (ii) the date on which such notice or document was published on the website.”

7. As special business, to consider and, if thought fit, pass the following as an Ordinary Resolution:

“**THAT:**

- (a) subject to paragraph (c), the exercise by the Directors of the Company during the relevant period of all the powers of the Company to issue, allot and dispose of 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) shall authorize the Directors of the Company during the relevant period to make or grant offers, agreements and options which would or might require the exercise of such power after the end of the relevant period;
- (c) the aggregate nominal amount of share capital of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph (a), otherwise than pursuant to
 - (i) a Rights Issue; or

(ii) the exercise of options granted under the Company's Share Option Scheme, shall not exceed the aggregate of 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this Resolution and the said approval shall be limited accordingly; and

(d) 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 of the Company or any applicable law of Bermuda to be held; and
- (iii) the revocation or variation of this Resolution by an ordinary resolution of the Shareholders of the Company in a general meeting; and

“Rights Issue” means an offer of shares or other securities 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 exclusions 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 outside Hong Kong).”;

8. As special business, to consider and, if thought fit, pass the following as an Ordinary Resolution:

“**THAT:**

- (a) the exercise by the Directors during the relevant period of all powers of the Company to purchase its own shares, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company which may be purchased on The Stock Exchange of Hong Kong Limited or any other stock exchange recognised for this purpose by the Securities and Futures Commission of Hong Kong and The Stock Exchange of Hong Kong Limited under the Hong Kong Code on Share Repurchases by the Company pursuant to the approval in paragraph (a) during the relevant period, shall be no more than 10% of the aggregate nominal amount of the existing issued share capital of the Company 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 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 of the Company or any applicable law of Bermuda to be held; and
 - (iii) the revocation or variation of this Resolution by an ordinary resolution of the Shareholders of the Company in a general meeting.”;
9. As special business, to consider and, if thought fit, pass the following as an Ordinary Resolution:

“**THAT** conditional upon the passing of Ordinary Resolutions numbered 7 and 8 as set out in the Notice convening this meeting, the aggregate nominal amount of the share capital which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company pursuant to such general mandate shall be added by an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted by the resolution set out as Resolution No. 8 in the notice convening this meeting, provided that such additional amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this Resolution.”; and

10. As special business, to consider and, if thought if, pass the following as an Ordinary Resolution:

“**THAT** with immediate effect:

- (a) the proposed amendments to the Long-Term Incentive Share Scheme as set out in Appendix III to the circular of the Company dated 16th June 2011 (a copy of which has been produced to the meeting marked “A” and initialed by the chairman of the meeting for the purpose of identification) be and are hereby approved and adopted; and
- (b) the Board be and is hereby authorised to all such acts and to enter into all such transactions and arrangements as may be necessary or expedient in order to give effect to the amendments and the Long-Term Incentive Share Scheme as amended.”.

By Order of the Board

Susan Chee-Lan Yip
Company Secretary

Hong Kong, 16th June 2011

Notes:

1. A Shareholder entitled to attend and vote is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not also be a Shareholder of the Company. A form of proxy is enclosed. Completion and return of the form of proxy will not preclude a Shareholder from attending and voting in person.
2. To be valid, the instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Hong Kong Head Office of the Company at 12 Science Park East Avenue, 6/F, Hong Kong Science Park, Shatin, New Territories, Hong Kong not less than 48 hours before the time appointed for holding of the Meeting.
3. The Register of Shareholders of the Company will be closed from Wednesday, 13th July 2011 to Wednesday, 20th July 2011, both dates inclusive, during which no transfer of shares will be registered.

In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (not the Registrar in Bermuda) for registration, not later than 4:30 p.m. on Tuesday, 12th July 2011.

4. As at the date of this circular, the Board of Directors of the Company consists of:

Executive Directors

Patrick Shui-Chung Wang (*Chairman and Chief Executive*)

Winnie Wing-Yee Wang (*Vice-Chairman*)

Austin Jesse Wang

Non-Executive Directors

Yik-Chun Koo Wang (*Honorary Chairman*)

Peter Kin-Chung Wang

Peter Stuart Allenby Edwards*

Patrick Blackwell Paul*

Oscar de Paula Bernardes Neto*

Michael John Enright*

Joseph Chi-Kwong Yam*

* *Independent Non-Executive Director*