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If you sell or have sold or otherwise transferred all of your shares in the capital of Cathay International Holdings Limited, you should send this document and the accompanying documents as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward delivery to the purchaser or transferee. The distribution of this document and any accompanying documents into jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document and any accompanying documents come should inform themselves about and observe any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction. If you sell or have sold or otherwise transferred only part of your holding of shares in the capital of Cathay International Holdings Limited you should retain these documents.

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## **CATHAY INTERNATIONAL HOLDINGS LIMITED**

*(Incorporated and registered in Bermuda under the Companies Act 1981 of  
Bermuda (as amended) with registered no. 29892)*

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

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**Your attention is drawn to the letter from the Chairman of Cathay International Holdings Limited set out in this document**

A notice of an Annual General Meeting of Cathay International Holdings Limited to be held at Penha Room 2, Grand Lapa Macau, 956-1110 Avenida da Amizade, Macau SAR on 25 May 2012 at 11:30 a.m. (Macau time), is set out in at the end of this document. Shareholders will find enclosed a Form of Proxy and holders of depository interests will find enclosed a Form of Direction for use at the meeting. To be valid, the Form of Proxy or Form of Direction should be completed, signed and returned in accordance with the instructions on it to Capita Registrars at PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible but, in any event, so as to be received not later than 4:00 p.m. on 21 May 2012 for the Form of Direction and 4:00 p.m. on 22 May 2012 for the Form of Proxy. Completion and return of a Form of Proxy will not preclude Shareholders from attending and voting in person at the Annual General Meeting, should they so wish.

**LETTER FROM THE CHAIRMAN OF THE COMPANY**  
**CATHAY INTERNATIONAL HOLDINGS LIMITED**

*(Incorporated and registered in Bermuda under the Companies Act 1981 of  
Bermuda (as amended) with registered no. 29892)*

Directors:  
\*Sum Soon Lim  
Wu Zhen Tao  
Lee Jin Yi  
\*Stephen Burnau Hunt  
Patrick Sung  
Siu Ka Chi Eric  
\*Kenneth K. Toong

Registered Office:  
Canon's Court  
22 Victoria Street  
Hamilton  
HM12  
Bermuda

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*\* denotes non-executive director*

28 March 2012

Dear Shareholder,

**2012 Annual General Meeting**

The purpose of this circular is to provide details of our 2012 Annual General Meeting ("AGM"), which is to be held at Penha Room 2, Grand Lapa Macau, 956-1110 Avenida da Amizade, Macau SAR on 25 May 2012 at 11:30 a.m. (Macau time). In addition, a shareholder information session is to be held on 17 April 2012 in London. Details of the shareholder information session are set out below.

The notice of the AGM, containing the resolutions to be considered at the AGM, is set out on pages 6 and 8 of this circular ("Notice of AGM"), and this letter explains each resolution in more detail.

**Annual Report and Financial Statements – Ordinary Resolution 1**

The business of the AGM will begin with a resolution to receive the financial statements for the year ended 31 December 2011 as well as the Directors' Report, Directors' Remuneration Report and Auditor's Report in respect of such financial statements.

**Retirement and re-election of Directors – Ordinary Resolutions 2 and 3**

Pursuant to the Company's bye-laws, every year approximately one-third of the Directors retire by rotation, though they may offer themselves for re-election. This year, Mr. Wu Zhen Tao and Mr. Stephen B. Hunt retire as Directors by rotation and are seeking re-election.

Brief biographical details relating to the retiring directors are given on pages 33 to 34 of the Annual Report. As required under the UK corporate governance code in respect of the re-election of non-executive directors I confirm that, following an evaluation, it is considered that Mr Hunt's performance continues to be effective and that he demonstrates an ongoing commitment to the role of non-executive director.

**Reappointment of Auditor and authority to fix their remuneration – Ordinary Resolution 4**

A resolution to reappoint BDO Limited as the Company's Auditor is proposed. The resolution also authorises the directors to fix the auditor's remuneration.

### **Authority to allot shares – Ordinary Resolution 5**

This resolution is to provide for the directors to continue to have the authority to allot relevant securities. Resolution 5 renews a similar authority given at last year's AGM and authorises the Directors to allot shares in the capital of the Company with a nominal value of up to one third in nominal value of the shares of the Company on the date the resolution is passed. This limit is in line with the guidelines issued by the Association of British Insurers.

The resolution also seeks a new authority, in line with the guidance issued by the Association of British Insurers, for the Directors to allot shares in the Company with a nominal value of up to two-thirds in nominal value of the issued share capital of the Company in connection with a pre-emptive rights issue. The guidance issued by the Association of British Insurers recommends that if this additional authority is used and the amount raised in any rights issue is more than one third of the Company's pre-issue market capitalisation, all Directors wishing to remain in office should stand for re-election at the next AGM of the Company, and the Board intends to follow this guidance.

The Directors have no present intention of exercising these authorities to allot relevant securities, except in connection with the share option scheme approved at the 2010 AGM. The authorities expire at the conclusion of the Company's next AGM, or, if earlier, fifteen months after the date on which the resolution is passed.

### **Disapplication of pre-emption rights – Special Resolution 6**

This resolution would, as in previous years, renew the Directors' power to allot relevant securities up to a maximum aggregate nominal value of USD953,107 (representing approximately 5% of the issued share capital of the Company as at 23 March 2012) for cash without first having to offer them to shareholders in proportion to their existing holdings. In addition, in accordance with normal practice, the resolution will enable directors to allot shares for cash in connection with a rights issue or open offer and to deal with shareholders and fractional entitlements as it thinks fit.

This resolution complies with the relevant guidance issued by the Pre-emption Group and the Association of British Insurers, and the Board confirms its intentions to follow the provisions of the Pre-Emption Group's Statement of Principles regarding cumulative usage of authorities within a rolling 3 year period where the principles provide that usage in excess of 7.5% should not take place without prior consultation with shareholders.

The power expires at the conclusion of the Company's next AGM or, if earlier, fifteen months after the date on which the resolution is passed.

### **Authorisation for the Company to purchase its own shares – Special Resolution 7**

It is proposed that, in common with many other quoted companies, the Company be given authority to make market purchases of its own shares. This authority will be limited to a maximum of 38,124,277 shares, being approximately 10% of the issued common share capital as at 23 March 2012.

The Board will continue to monitor carefully the capital requirements of the Company and, although at present the Directors have no plans to buy back shares, they may consider it prudent to act at short notice if circumstances warrant. The Board will, however, make use of this authority only when satisfied that to do so would be in the best interests of the shareholders and where the expected result of such purchase would be an increase in earnings per share.

The authority will expire at the conclusion of the Company's next AGM or fifteen months after the date on which the resolution is passed, whichever is the earlier. The maximum price (exclusive of expenses) per ordinary share which can be paid on any occasion is limited to 105% of the average of the middle-market quotations, as derived from the London Stock Exchange's Daily Official List, for the five business days prior to the date of the purchase being made.

Under Bermuda company legislation, following the amendments to the Company's bye-laws approved by shareholders at the special general meeting held on 19 April 2010, the Company may hold shares purchased as treasury shares, which may then be cancelled, either immediately or at some point in the future, re-sold for cash or transferred in connection with the Company's option plan (if approved). The Board will only hold shares purchased pursuant to this authority where it believed this course to be in the best interests of the Company and its shareholders. A wholly-owned subsidiary of the Company currently holds 3,200,000 Common Shares as treasury shares.

#### **Action to be taken**

A Form of Proxy for use by shareholders or a Form of Direction for use by holders of depository interests, as applicable, in connection with the AGM is enclosed. If you are a shareholder or depository interest holder, you are requested to complete, sign and return the Form of Proxy or Form of Direction, whether or not you intend to be present at the meeting, and return it to PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible and in any event so as to arrive not later than 4:00 p.m. on 21 May 2012 for Forms of Direction and not later than 4:00 p.m. on 22 May 2012 for Forms of Proxy. If you are a holder of shares in the Company (but not depository interests), the completion and return of a Form of Proxy will not prevent you from attending the AGM and voting in person should you subsequently wish to do so. If you are a holder of depository interests, completion of the Form of Direction will not preclude you from attending the AGM, should you wish. If you hold your shares via the depository interest arrangement and would like to attend the AGM, please contact the Depository, Capita IRG Trustees Limited at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU not later than 4:00 p.m. on 21 May 2012.

CREST members who wish to instruct the Depository how to vote through the CREST system may do so by using the procedures described in "the CREST voting service" section of the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed one or more voting service providers, should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

#### **Shareholder Information Session**

In addition to the AGM to be held on 25 May 2012, there will also be an information session for shareholders to be held on 17 April 2012 at the offices of Peel Hunt LLP at Moor House, 120 London Wall, London EC2Y 5ET, United Kingdom at 11:00 a.m. This will be an opportunity for shareholders to put questions to the Directors attending this session about the resolutions to be passed at the AGM. However, there will not be an opportunity to vote at the information session on the resolutions set out in the Notice of AGM. No information provided at the session should be deemed to be investment advice or an attempt to influence shareholders in their decision as to how to vote at the AGM. If you are in any doubt as to what action you should take, please consult your stockbroker, bank manager, accountant or other independent financial adviser who specialises in advising on the acquisition of shares or other transferable securities and who is duly authorised under the Financial Services and Markets Act 2000.

**Recommendation**

The Directors believe that all of the proposals set out in the Notice of AGM are in the best interests of shareholders. Accordingly, the Board unanimously recommends Shareholders to vote in favour of the resolutions set out in the Notice of AGM as the Directors intend to do in respect of their own beneficial holdings amounting in aggregate to 8,249,276 A Shares and 228,819,544 Common Shares, representing approximately 62.71% of the votes capable of being cast at the AGM on a show of hands, or 68.64% on a poll.

I look forward to seeing you at the AGM or at the shareholder information session.

Yours faithfully,

**Sum Soon Lim**  
Chairman

# CATHAY INTERNATIONAL HOLDINGS LIMITED

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the next Annual General Meeting of Cathay International Holdings Limited (the “Company”) will be held at Penha Room 2, Grand Lapa Macau, 956-1110 Avenida da Amizade, Macau SAR on 25 May 2012 at 11:30 a.m. (Macau time) for the purpose of considering and, if thought fit, passing the following resolutions which will be proposed as Ordinary Resolutions, with the exception of resolutions 6 and 7 which will be proposed as Special Resolutions.

### Ordinary Resolutions

1. To receive the Company’s financial statements for the year ended 31 December 2011 together with the Directors’ Report and the Report of the Auditor in respect of the financial statements and the Directors’ Remuneration Report for the year ended 31 December 2011.
2. To re-elect as Executive Director Mr. Wu Zhen Tao, who retires by rotation, in accordance with Bye-Law 84 of the Company’s Bye-Laws.
3. To re-elect as Non-executive Director Mr. Stephen B. Hunt, who retires by rotation, in accordance with Bye-Law 84 of the Company’s Bye-Laws.
4. To re-appoint BDO Limited as the Company’s Auditor, to hold office until the conclusion of the next general meeting at which accounts are laid before the Company and to authorise the Directors to fix their remuneration.
5. **THAT** the authority of the Directors to exercise the power of the Company to allot unissued shares comprised in the authorised share capital of the Company, grant options over or otherwise dispose of the same, as contained in Bye-Law 7 of the Bye-Laws of the Company be and is hereby renewed, provided that this authority shall (unless previously revoked or varied by the Company in general meeting) be limited to:
  - (a) the allotment of shares representing in aggregate not more than two thirds in nominal value of the shares of the Company in issue on the date of the passing of this resolution in connection with an offer by way of rights issue to holders of shares in proportion (as nearly as may be practicable) to their respective holdings, but subject to such exclusions or other arrangements as the Board may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and
  - (b) in any other case, the allotment of shares representing in aggregate not more than one third in nominal value of the shares of the Company in issue on the date of the passing of this resolution.

provided that this authority shall expire fifteen months after the date of the passing of this resolution or, if earlier, at the conclusion of the next Annual General Meeting of the Company (“the period of the authority”) save that the Company may before the expiry date of the period of the authority make an offer or agreement which would or might require shares to be allotted after such expiry and the Directors may allot shares in pursuance of any such offer or agreement as if the authority conferred hereby had not expired.

## Special Resolutions

6. **THAT** the Directors be and are hereby empowered to allot shares for cash as if Bye-Law 8 of the Bye-Laws of the Company did not apply to any such allotment and so that the power conferred by this resolution shall enable the Company to make any offer or agreement before the expiry of the period of the authority (as defined in the resolution numbered 5 in the notice of this meeting) which would or might require shares to be allotted after the expiry of such period and so that notwithstanding such expiry the Directors may allot shares pursuant to any such offer or agreement previously made by the Company as if the power conferred hereby had not expired.

**PROVIDED** however that the power conferred hereby shall:

(a) be limited:

- (i) to the allotment of shares in connection with or pursuant to any arrangement whereby the holders of shares at a record date or dates adopted for the purposes of the arrangement are entitled to acquire any shares of the Company issued for cash pursuant to such arrangement, in the proportion (as nearly as may be) to such holders' holdings of shares (or, as appropriate, to the numbers of such shares which such holders are for the purpose deemed to hold) subject to such exclusions or other arrangements as the Directors may consider necessary or expedient to deal with shares representing fractional entitlements or the issue and/or transfer and/or holding of any securities in uncertificated form or legal or practical problems under or resulting from the apparent application of the laws of any territory or the requirements of any recognised regulatory body or stock exchange in any territory; and
- (ii) to the allotment (otherwise than pursuant to sub-paragraph (i) above) of shares having an aggregate nominal value or, in the case of other equity securities, giving the right to subscribe for or convert into shares having an aggregate nominal value not exceeding USD953,107; and

(b) expire at the conclusion of the period of authority (as defined above) except to the extent that the same is renewed or extended prior thereto.

7. **THAT** the Company be and is hereby unconditionally and generally authorised to make market purchases (as defined in Section 693(4) of the Companies Act 2006 of Great Britain) of common shares of USD0.05 in the capital of the Company provided that:

- (a) the maximum number of shares hereby authorised to be acquired is 38,124,277;
- (b) the minimum price which may be paid for such shares is USD0.05 per share;
- (c) the maximum price which may be paid for such shares is, in respect of a share contracted to be purchased on any day, an amount equal to 105 per cent of the average of the middle market quotations for such shares shown in the Daily Official List of London Stock Exchange plc for the five business days in respect of which such Daily Official List is published immediately preceding the day on which the share is contracted to be purchased (in each case excluding expenses);
- (d) the authority hereby conferred shall expire fifteen months after the date of the passing of this resolution or, if earlier, at the conclusion of the next Annual General Meeting of the Company;

- (e) the Company may make a contract to purchase its own shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority, and may make a purchase of its own shares in pursuance of any such contract.

Registered Office:  
Canon's Court  
22 Victoria Street  
Hamilton HM12  
Bermuda

BY ORDER OF THE BOARD

**Yip Pui Ling Rebecca**, Company Secretary

Dated: 28 March 2012

NOTES:

A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and, on a poll, vote in his stead. A proxy need not be a member of the Company.

A Form of Proxy or Form of Direction for use in connection with the meeting accompanies the Circular. Additional copies may be obtained from the registered office.

The Form of Proxy and any power of attorney under which it is signed must be deposited at the address printed on the Form of Proxy not less than 48 hours before the time appointed for holding the meeting. Completion and return of a Form of Proxy will not prevent a member from attending and voting at the meeting should she/he so wish.

To be effective, the Form of Direction and the power of attorney or other authority under which it is signed, or a certified copy of such power or authority, must be delivered to or delivered by hand during normal business hours to PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU to arrive not less than 72 hours before the time appointed for holding the meeting.

Holders of Depository Interests in uncertified form (i.e. in CREST) who wish to instruct the Depository how to vote through the CREST electronic proxy appointment service may do so for the AGM and any adjournments of it by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed voting service providers, should refer to their sponsors or voting service providers, who will be able to take the appropriate action on their behalf. For a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland's specifications and must contain the information required for those instructions as described in the CREST Manual. The message, regardless of whether it relates to the appointment of a proxy or to an amendment to the instruction given to the previously appointed proxy, must, to be valid, be transmitted so as to be received by the Company's agent Capita Registrars, (RA10) not less than seventy-two hours before the time appointed for holding the AGM or adjournment as the case may be. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST Personal Member or sponsored member or has appointed voting service providers, to procure that its CREST sponsors or voting service providers take) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

A person must be registered as the holder of A Shares or Common Shares by 4:00 p.m. on 22 May 2012 in order for such person to be entitled to attend and vote at the meeting.

As at 4:30 p.m. on 23 March 2012, the Company's issued share capital comprised 370,944,161 Common Shares of USD0.05 each and 10,298,613 A shares of USD0.05 each. Each Common Share carries the right to one vote at a general meeting of the Company and each A Share carries 20 votes at a general meeting of the Company, 3,200,000 Common Shares are held by a wholly-owned subsidiary of the Company as treasury shares therefore, the total number of voting rights in the Company as at 4:30 p.m. on 23 March 2012 is 576,916,421.

Copies of the directors' service contracts and the non-executive directors' terms and conditions of appointment shall be available for inspection at the place of the AGM during the AGM and for at least 15 minutes prior to the start of the AGM.