
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 you should take, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **PAK FAH YEOW INTERNATIONAL LIMITED**, you should at once hand this circular and the accompanying proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**PAK FAH YEOW INTERNATIONAL LIMITED****白花油國際有限公司****(Incorporated in Bermuda with limited liability)**(Stock Code: 239)*

**PROPOSALS INVOLVING
BONUS ISSUE OF SHARES AND
GENERAL MANDATES TO REPURCHASE SHARES
AND TO ISSUE SHARES AND
RE-ELECTION OF RETIRING DIRECTORS AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of Pak Fah Yeow International Limited to be held at Plaza 1-2, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Thursday, 11 June 2015 at 3:30 p.m. is set out on pages 16 to 21 of this circular. Whether or not you propose to attend the meeting, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the head office and principal place of business of the Company at 11th Floor, 200 Gloucester Road, Wan Chai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding of the meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the meeting should you so wish, and in such event the instrument appointing the proxy shall be deemed to be revoked.

* *For identification purpose only*

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DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held on Thursday, 11 June 2015 at 3:30 p.m., notice of which is set out on pages 16 to 21 of this circular
“Board”	the board of Directors
“Bonus Issue”	the proposed bonus issue of the Bonus Shares on the basis of one Bonus Share for every five existing Shares held by the Qualifying Shareholders on the Record Date
“Bonus Share(s)”	new Share(s) to be issued by the Company pursuant to the Bonus Issue
“Bye-laws”	the bye-laws of the Company, as amended from time to time
“Companies Act”	the Companies Act 1981 of the laws of Bermuda, as amended
“Company”	Pak Fah Yeow International Limited, a company incorporated with limited liability in Bermuda and with its Shares listed on the Stock Exchange
“Directors”	the directors of the Company
“Final Dividend”	the proposed final dividend of HK6.5 cents per Share for the year ended 31 December 2014 payable to shareholders of the Company whose names appear on the register of members of the Company on the Record Date
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	13 April 2015, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Non-Qualifying Shareholder(s)”	those Overseas Shareholder(s) to whom the Board, after making enquires pursuant to Rule 13.36 of the Listing Rules, considers it necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place not to extend the Bonus Issue
“Overseas Shareholder(s)”	shareholder(s) of the Company whose address(es) as shown on the register of members of the Company on the Record Date is/are outside Hong Kong
“Qualifying Shareholders”	shareholders of the Company whose names appear on the register of members of the Company on the Record Date and who are entitled to the Bonus Issue
“Record Date”	8 July 2015, being the record date for determination of entitlements to the Final Dividend, the Special Dividend and the Bonus Issue
“Repurchase Proposal”	the proposal to give a general mandate to the Directors to exercise the powers of the Company to repurchase during the period as set out in the Repurchase Resolution Shares up to a maximum of 10 percent of the total number of shares of the Company in issue as at the date of passing the Repurchase Resolution
“Repurchase Resolution”	the proposed ordinary resolution as referred to in item 5 of the notice of Annual General Meeting
“Share(s)”	share(s) of HK\$0.05 each in the share capital of the Company
“Share Repurchase Rules”	the relevant rules set out in the Listing Rules to regulate the repurchase by companies with primary listing on the Stock Exchange of their own securities on the Stock Exchange
“Special Dividend”	the proposed special dividend of HK6.8 cents per Share for the year ended 31 December 2014 payable to shareholders of the Company whose names appear on the register of members of the Company on the Record Date
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

EXPECTED TIMETABLE

The expected timetable for the Final Dividend, the Special Dividend and the Bonus Issue is set out below:

Events	Date
Latest time for lodging the transfer documents to the share registrar for the qualification for attending and voting at the Annual General Meeting	4:30 p.m. 8 June 2015
Closure of the register of members of the Company for determining the identity of the shareholders who are entitled to attend and vote at the Annual General Meeting	9 June 2015 to 11 June 2015
Latest time for lodging proxy form for the Annual General Meeting	3:30 p.m. 9 June 2015
Annual General Meeting	3:30 p.m. 11 June 2015
Announcement of poll results of the Annual General Meeting	11 June 2015
Last day of dealings in the Shares on a cum-entitlement basis relating to the Final Dividend, the Special Dividend and the Bonus Issue	30 June 2015
First day of dealings in the Shares on an ex-entitlement basis relating to the Final Dividend, the Special Dividend and Bonus Issue	2 July 2015
Latest time for lodging the transfer documents to the share registrar for determining entitlement to the Final Dividend, the Special Dividend and Bonus Issue	4:30 p.m. 3 July 2015
Closure of the register of members of the Company for determining entitlement to the Final Dividend, the Special Dividend and Bonus Issue	6 July 2015 to 8 July 2015
Record date for determining entitlement to the Final Dividend, the Special Dividend and Bonus Issue	8 July 2015
Register of members of the Company re-opens	9 July 2015
Expected payment date of the Final Dividend and the Special Dividend	7 August 2015
Despatch of share certificates under the Bonus Issue	7 August 2015
First day of dealing in the Bonus Shares on the Stock Exchange	9:00 a.m. 10 August 2015

All times stated in this circular refer to Hong Kong times. Dates stated in this circular for events in the timetable are indicative only and may be extended or varied. Any consequential changes to the expected timetable will be announced as and when appropriate.

LETTER FROM THE BOARD



PAK FAH YEOW INTERNATIONAL LIMITED

白花油國際有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 239)

Executive Directors:

GAN Wee Sean (*Chairman & Chief Executive Officer*)

Stephen GAN Fock Wai

Independent Non-executive Directors:

Lawrence LEUNG Man Chiu

Ada WONG Ying Kay

Arnold IP Tin Chee

Registered Office:

Clarendon House,

2 Church Street,

Hamilton HM 11,

Bermuda

**Head Office and Principal Place
of Business:**

11th Floor,

200 Gloucester Road,

Wan Chai, Hong Kong

Hong Kong, 17 April 2015

To the shareholders

Dear Sir or Madam,

**PROPOSALS INVOLVING
BONUS ISSUE OF SHARES AND
GENERAL MANDATES TO REPURCHASE SHARES
AND TO ISSUE SHARES AND
RE-ELECTION OF RETIRING DIRECTORS AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you with the information regarding (i) the proposed Bonus Issue of Shares; (ii) the proposed renewal of the general mandates to allot, issue and deal with Shares and to repurchase Shares as well as (iii) the re-election of retiring directors and to seek your approval of the resolutions relating to these matters at the Annual General Meeting.

* For identification purpose only

LETTER FROM THE BOARD

2. PROPOSED BONUS ISSUE OF SHARES

I. Basis of the Bonus Issue

Reference is made to the annual results announcement of the Company dated 26 March 2015 in which the Company announced that the Board has resolved, inter alia, to recommend the Bonus Issue.

Subject to the conditions as set out under the heading “Conditions of the Bonus Issue” below, the Bonus Shares will be issued and credited as fully paid at par on the basis of one Bonus Share for every five existing Shares held by the Qualifying Shareholders on the Record Date as at the close of business.

As at the Latest Practicable Date, the Company has no outstanding warrants, convertibles, options or derivatives and conversion rights or other similar rights which are convertible or exchangeable into Shares. On the basis of 259,700,000 existing Shares in issue as at the Latest Practicable Date, and assuming that no further Shares will be issued or repurchased on or before the Record Date, approximately 51,940,000 Bonus Shares (representing 20% of the number of issued Shares as at the Latest Practicable Date) will be issued and credited as fully paid at par by way of capitalisation of an amount of HK\$2,597,000 standing to the credit of the share premium account of the Company. After the completion of the Bonus Issue, there will be a total of 311,640,000 Shares in issue as enlarged by the Bonus Issue.

The exact total number of the Bonus Shares to be issued under the Bonus Issue will not be capable of determination until the Record Date as at the close of business.

II. Conditions of the Bonus Issue

The Bonus Issue is conditional upon:

- (i) the passing of a special resolution by the shareholders of the Company at the Annual General Meeting for approving the Bonus Issue;
- (ii) the Listing Committee granting the listing of, and permission to deal in, the Bonus Shares; and
- (iii) compliance with the relevant legal procedures and requirements (if any) under the applicable laws of Bermuda and the Bye-laws to effect the Bonus Issue.

III. Record Date

The record date for determination of entitlements to the Final Dividend, the Special Dividend and the Bonus Issue is 8 July 2015.

The Bonus Shares will only be allotted and issued to the Qualifying Shareholders whose names appear on the register of members of the Company on the Record Date as at the close of business. Arrangement for the Non-Qualifying Shareholders are further elaborated below under the heading “Overseas Shareholders”.

LETTER FROM THE BOARD

IV. Overseas Shareholders

As at the Latest Practicable Date, based on the register of members of the Company, the Company has eight Overseas Shareholders whose registered addresses are located in Malaysia, Singapore and Taiwan. The Company has made enquiries with legal advisers in these jurisdictions in relation to the legality of extending the Bonus Issue to these Overseas Shareholders.

The Company has been advised by legal advisers of Malaysia, Singapore and Taiwan on the laws of Malaysia, Singapore and Taiwan that the Bonus Issue may be extended to, and the Company may allot and issue the Bonus Shares to, the Overseas Shareholders in Malaysia, Singapore and Taiwan.

The Company will continue to ascertain whether there are any other Overseas Shareholders on the Record Date as at the close of business and will, if necessary, make further enquiries with its legal advisers in other overseas jurisdiction(s) regarding the feasibility of extending the Bonus Issue to such other Overseas Shareholders on the Record Date as at the close of business. Upon such enquiry, if the Board is of the view that the exclusion of the Overseas Shareholders is necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place, the Bonus Shares will not be issued to those Overseas Shareholders, that is, the Non-Qualifying Shareholders. In such circumstances, arrangements will be made for the Bonus Shares, which would otherwise have been issued to the Non-Qualifying Shareholders, if any, to be sold in the market as soon as practicable after dealings in the Bonus Shares commence. Any net proceeds of sale, after deduction of the related expenses, will be distributed in Hong Kong dollars to the Non-Qualifying Shareholders, if any, *pro-rata* to their respective shareholdings and remittances therefor will be posted to them, at their own risk, unless the amount falling to be distributed to any such persons is less than HK\$100.00, in which case it will be retained for the benefit of the Company.

It is the responsibility of the shareholders of the Company (including the Overseas Shareholders) to observe the domestic legal and regulatory requirements applicable to them for the taking up of the Bonus Shares and shareholders of the Company are recommended to consult their own professional advisers if they are in any doubt as to their respective positions.

Notice to Shareholders of the Company Residing or Located in Singapore

In respect of persons in Singapore, the Bonus Shares will only be allotted and issued by the Company to persons in Singapore who, on the Record Date as at the close of business, are holders of the Shares.

The Bonus Shares may not be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except under or pursuant to a prospectus registration exemption under Subdivision (4) of Division 1 of Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA") (other than Section 280 of the SFA).

LETTER FROM THE BOARD

Notice to Shareholders of the Company Residing or Located in Taiwan

The issue and transfer of Bonus Shares as described in this circular have not been and will not be registered with the Financial Supervisory Commission of Taiwan, the Republic of China pursuant to relevant securities laws and regulations and the Bonus Shares may not be offered or sold in Taiwan, the Republic of China through a public offering or in circumstance which constitutes an offer within the meaning of the Securities and Exchange Act of Taiwan, the Republic of China that requires a registration or approval of the Financial Supervisory Commission of Taiwan, the Republic of China. No person or entity in Taiwan, the Republic of China has been authorized to offer or sell the Bonus Shares in Taiwan, the Republic of China.

V. Status of Bonus Shares

The Bonus Shares, upon issue, will rank *pari passu* with the then existing Shares in all respects, including the entitlement of receiving dividends and other distributions the record date for which is on or after the date of allotment and issue of the relevant Bonus Shares, but will not be entitled to the Final Dividend and the Special Dividend.

VI. Fraction of Bonus Shares

The total number of Bonus Shares to be issued to any shareholders of the Company will be rounded down to a whole number, if there are any fractional entitlements of the Bonus Shares. Such fractional entitlements arising from the Bonus Issue (if any) will not be issued to the shareholders of the Company, but will be aggregated and sold for the benefit of the Company.

VII. Listing, dealings and share certificates for the Bonus Issues

Application will be made to the Stock Exchange for the listing of, and permission to deal in the Bonus Shares. No part of the securities of the Company is listed or dealt in, nor is listing or permission to deal in the securities of the Company being or proposed to be sought, on any other stock exchange.

It is expected that share certificates for the Bonus Shares will be posted by ordinary post on or about Friday, 7 August 2015 after all the conditions of the Bonus Issue have been fulfilled at the risk of the shareholders of the Company entitled thereto or to their respective addresses shown on the register of members on the Record Date as at the close of business. In the case of a joint holding, the share certificates for the Bonus Shares will be posted to the address of the person whose name stands first on the register of members of the Company on the Record Date as at the close of business.

VIII. Reasons for the Bonus Issue

In recognition of the continuous support of the Company's shareholders, the Board has proposed and recommended the Bonus Issue. In addition, the Directors believe that the Bonus Issue will enhance the liquidity of the Shares in the market and thereby enlarging the shareholders and capital base of the Company.

LETTER FROM THE BOARD

3. GENERAL MANDATE TO REPURCHASE SHARES

At the annual general meeting of the Company held on 25 June 2014, a general mandate was given by the Company to the Directors to exercise the powers of the Company to repurchase Shares. Such mandate will lapse at the conclusion of the forthcoming Annual General Meeting of the Company. The Directors propose to seek your approval of the Repurchase Resolution to be proposed at the Annual General Meeting. An explanatory statement as required under the Share Repurchase Rules to provide the requisite information of the Repurchase Proposal is set out in Appendix I hereto.

The general mandate granted pursuant to the Repurchase Resolution shall be exercisable during the period from the passing of the Repurchase Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the laws of Bermuda or bye-laws of the Company to be held; or
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting of the Company.

4. GENERAL MANDATE TO ISSUE NEW SHARES

It will also be proposed at the Annual General Meeting two ordinary resolutions (namely ordinary resolutions as referred to in items 6 and 7 of the notice of Annual General Meeting) respectively granting to the Directors a general mandate to allot, issue and deal with Shares not exceeding 20 percent of the total number of Shares in issue as at the date of passing the resolution (i.e. not exceeding 51,940,000 Shares based on the number of issued Shares of 259,700,000 Shares as at the Latest Practicable Date and assuming that such number of issued Shares remains the same as at the date of passing the ordinary resolution) and adding to such general mandate so granted to the Directors the total number of the Shares repurchased by the Company after the granting of the general mandate to repurchase Shares up to 10 percent of the total number of shares of the Company in issue as at the date of passing the Repurchase Resolution.

The general mandate to allot, issue and deal with Shares shall be exercisable during the period from the passing of the ordinary resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the laws of Bermuda or bye-laws of the Company to be held; or
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting of the Company.

LETTER FROM THE BOARD

5. RE-ELECTION OF RETIRING DIRECTORS

The Board currently consists of five Directors, namely Mr. GAN Wee Sean, Mr. Stephen GAN Fock Wai, Mr. Lawrence LEUNG Man Chiu, Ms. Ada WONG Ying Kay and Mr. Arnold IP Tin Chee.

Pursuant to the Bye-laws, Mr. GAN Wee Sean and Mr. Lawrence LEUNG Man Chiu, being the Directors longest in office since their last re-election, shall retire by rotation from office at the Annual General Meeting and, being eligible, offer themselves for re-election.

Details of retiring Directors proposed for re-election at the Annual General Meeting are set out in Appendix II to this circular.

6. CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 9 June 2015 to Thursday, 11 June 2015, both days inclusive, during which no transfer of Shares will be effected. In order to qualify for attendance of annual general meeting, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Share Registrar, Tricor Standard Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 8 June 2015.

The register of members of the Company will also be closed from Monday, 6 July 2015 to Wednesday, 8 July 2015, both days inclusive, during which no transfer of Shares will be effected. In order to qualify for the Final Dividend, the Special Dividend and the Bonus Issue, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Share Registrar, Tricor Standard Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Friday, 3 July 2015.

7. ANNUAL GENERAL MEETING

On pages 16 to 21 of this circular, you will find a notice convening the Annual General Meeting at which the following resolutions will be proposed:

- an ordinary resolution to grant to the Directors a general mandate to exercise all powers of the Company to repurchase on the Stock Exchange Shares representing up to 10 percent of the total number of Shares in issue as at the date of passing the Repurchase Resolution;
- an ordinary resolution to grant to the Directors a general mandate to authorise the Directors to issue, allot and deal with Shares not exceeding 20 percent of the total number of Shares in issue as at the date of passing such resolution;

LETTER FROM THE BOARD

- an ordinary resolution to extend the general mandate which will be granted to the Directors to issue, allot and deal with additional Shares by adding to it the number of Shares repurchased under the Repurchase Proposal after the granting of the general mandate; and
- a special resolution to approve the Bonus Issue.

8. VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, all votes at the general meeting of the Company will be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

9. ACTION TO BE TAKEN

A proxy form for use at the Annual General Meeting is enclosed with this circular. Whether or not you intend to attend the Annual General Meeting, you are requested to complete the proxy form and return it to the head office and principal place of business of the Company at 11th Floor, 200 Gloucester Road, Wan Chai, Hong Kong not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and return of the proxy form will not prevent shareholders of the Company from attending and voting at the Annual General Meeting if they so wish.

10. RECOMMENDATION

The Directors believe that the Repurchase Proposal, the general mandate for Directors to issue new Shares, the re-election of the retiring directors and the Bonus Issue are all in the best interests of the Company and its shareholders. Accordingly, the Directors recommend that all shareholders of the Company should vote in favour of the relevant resolutions as set out in the notice of Annual General Meeting.

Yours faithfully,
For and on behalf of the Board of
Pak Fah Yeow International Limited
GAN Wee Sean
Chairman

This appendix serves as an explanatory statement, as required by the Share Repurchase Rules, to provide requisite information to you for your consideration of the proposal to permit the repurchase of Shares up to a maximum of 10 percent of the total number of Shares in issue as at the date of passing the Repurchase Resolution.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 259,700,000 Shares.

Subject to the passing of the Repurchase Resolution and on the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, the Company would be allowed under the Repurchase Resolution to repurchase a maximum of 25,970,000 Shares, representing not more than 10 percent of the total number of shares of the Company in issue as at the Latest Practicable Date.

2. REASONS FOR REPURCHASE

The Directors believe that the Repurchase Proposal is in the best interests of the Company and its shareholders. Such repurchase 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 repurchase will benefit the Company and its shareholders.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Directors will only apply funds legally available for such purpose in accordance with its memorandum of association and Bye-laws and the applicable laws of Bermuda. The Companies Act provides that the amount of capital repaid in connection with a share repurchase may only be paid out of either the capital paid up on the relevant shares, or out of the funds of the Company otherwise available for dividend or distribution or the proceeds of a fresh issue of shares made for the purpose. The amount of premium payable on repurchase may only be paid out of either the funds of the Company that would otherwise be available for dividend or distribution or out of the share premium account of the Company.

There might be a material adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited accounts contained in the annual report for the year ended 31 December 2014 in the event that the power to repurchase Shares pursuant to the Repurchase Proposal were to be exercised in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the power to repurchase Shares pursuant to the Repurchase Proposal to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

4. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange during each of the previous twelve months before the Latest Practicable Date were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
April 2014	3.54	3.24
May 2014	3.60	3.40
June 2014	3.65	3.48
July 2014	4.18	3.57
August 2014	4.10	3.84
September 2014	4.00	3.79
October 2014	3.95	3.75
November 2014	3.95	3.85
December 2014	3.92	3.80
January 2015	3.90	3.78
February 2015	3.90	3.80
March 2015	4.49	3.81
April 2015 (up to and including the Latest Practicable Date)	4.53	4.33

5. UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will only exercise the powers of the Company to make repurchases pursuant to the Repurchase Proposal in accordance with the Listing Rules and the applicable laws of Bermuda.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their close associates (as defined in the Listing Rules), have any present intention to sell any Shares to the Company or its subsidiaries under the Repurchase Proposal if such is approved by the shareholders of the Company.

No core connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company or its subsidiaries, or have undertaken not to do so, in the event that the Repurchase Proposal is approved by the shareholders of the Company.

6. TAKEOVERS CODE

If, on the exercise of the power to repurchase Shares pursuant to the Repurchase Proposal, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a shareholder or group of shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, Mr. GAN Wee Sean and Mr. GAN Fock Wai, Stephen together with their respective associates held respectively 79,093,600 Shares and 60,654,000 Shares, representing in aggregate approximately 53.81 percent of the issued share capital of the Company. In the event that the Directors exercised in full the power to repurchase Shares pursuant to the Repurchase Proposal, the shareholdings of Mr. GAN Wee Sean and Mr. GAN Fock Wai, Stephen, together with their associates would be increased to approximately 59.79 percent.

The Directors are not aware of any consequences, which may arise under the Takeovers Code as a result of any repurchases made under the Repurchase Proposal.

In the event that the Repurchase Proposal is exercised in full, the number of Shares held by the public would not fall below 25 percent.

7. SHARES REPURCHASE MADE BY THE COMPANY

The Company had not repurchased any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

The following are the particulars of the retiring Directors proposed to be re-elected at the Annual General Meeting to be held on 11 June 2015:

Mr. GAN Wee Sean, aged 68, is the Chairman of the Board, Chief Executive Officer, an executive director of the Company and a member of the remuneration committee of the Company. He has been actively involved in the management of the Group since 1971. He was appointed as an executive director on 8 October 1991, the acting Chief Executive Officer on 21 April 2008 and the Chief Executive Officer on 1 September 2011. He attended North Western Polytechnic, London, England where he majored in business administration and marketing. He is a Fellow of the Institute of Chartered Secretaries and Administrators and Fellow of the Chartered Institute of Marketing. From 1981 to 1986, and from 1987 to 1990, he held the position of vice-chairman and chairman respectively of Chung Sing Benevolent Society. He was chairman of the Malaysian Association in Hong Kong from 1987 to 1989, and was a founder member of the Institute of Marketing in Hong Kong. He is also vice president of the St. John's Ambulance Brigade Island Command Hong Kong. He is the eldest grandson of the founder, Mr. GAN Geok Eng and the father of Mr. Gan Cheng Hooi, Gavin, the business development manager of a subsidiary of the Company. Mr. Stephen GAN Fock Wai, an executive director of the Company, is a son of the founder. Save as disclosed above, Mr. GAN did not hold any directorship in other listed public companies in the past three years. He is a director in a number of subsidiaries of the Company. Save as disclosed above, he does not hold any position of the Company and other companies within the Group.

As at the Latest Practicable Date, Mr. GAN had personal interests, family interests and corporate interests of 22,673,600 Shares, 1,983,800 Shares and 54,436,200 Shares respectively, representing in aggregate approximately 30.46 percent of the issued share capital of the Company, within the meaning of Part XV of the Securities and Futures Ordinance ("SFO"). He is a director and shareholder of Hexagan Enterprises Limited, a substantial shareholder of the Company. In accordance with the service agreement between the Company and Mr. GAN, he is not appointed for a specific term except that he is subject to retirement by rotation and re-election in accordance with the Bye-laws. He is entitled to an annual remuneration package including management bonus and housing allowance of approximately HK\$7,494,000. There is no agreement as to the director's fee of Mr. GAN and his director's fee will be determined by the Board by reference to the prevailing market conditions and subject to the shareholders' approval at the Annual General Meeting. Save as disclosed above, he does not have any relationship with any directors, senior management, substantial or controlling shareholders of the Company.

Save as disclosed above, Mr. GAN has confirmed that there are no other matters that need to be brought to the attention of the shareholders of the Company in connection with his re-election and no other information that should be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

Mr. LEUNG Man Chiu, Lawrence, aged 67, was appointed as an independent non-executive director of the Company on 19 July 2006. He is a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. He graduated in 1969 from the Hong Kong Technical College (presently known as the Hong Kong Polytechnic University) with a diploma in accountancy and qualified himself as a certified public accountant in 1972. Mr. LEUNG is a practicing certified public accountant and has been in public practice for over 45 years. He has extensive experience in accounting and auditing and served in listing and auditing projects for a number of Hong Kong publicly listed companies. He is now practising as a partner in Tang and Fok. Mr. LEUNG is an independent non-executive director of Safety Godown Company, Limited, a company listed on the Stock Exchange. Save as disclosed above, Mr. LEUNG did not hold any directorship in other listed public company in the past three years. Mr. LEUNG is Chairman of audit committee, remuneration committee and nomination committee of the Company. Save as disclosed above, he does not hold any position of the Company and other companies within the Group.

Mr. LEUNG is appointed for a term of two years until 30 September 2016 and subject to retirement by rotation and re-election provisions in the Bye-laws. He is entitled to have a director's fee of approximately HK\$108,000 per annum which is subject to approval of the Board by reference to the prevailing market conditions and the approval of shareholders of the Company at the Annual General Meeting. Mr. LEUNG is not related, directly or indirectly, with any director, senior management or substantial or controlling shareholders of the Company. Mr. LEUNG does not have any direct or indirect interest in any of the Company's shares as defined under Part XV of the SFO.

Save as disclosed above, Mr. LEUNG has confirmed that there are no other matters that need to be brought to the attention of the shareholders of the Company in connection with his re-election and no other information that should be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING



PAK FAH YEOW INTERNATIONAL LIMITED

白花油國際有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 239)

NOTICE IS HEREBY GIVEN THAT the annual general meeting of Pak Fah Yeow International Limited (the “Company”) will be held at Plaza 1-2, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Thursday, 11 June 2015 at 3:30 p.m. for the following purposes:

1. To receive and consider the financial statements and the reports of the directors and the independent auditor for the year ended 31 December 2014.
2.
 - (a) To declare a final dividend of HK6.5 cents per share for the year ended 31 December 2014.
 - (b) To declare a special dividend of HK6.8 cents per share for the year ended 31 December 2014.
3.
 - (a) To re-elect Mr. GAN Wee Sean as an executive director.
 - (b) To re-elect Mr. Lawrence LEUNG Man Chiu as an independent non-executive director.
 - (c) To authorise the board of directors to fix the remuneration of the directors for the year ending 31 December 2015.
4. To re-appoint Mazars CPA Limited as auditor and authorise the board of directors to fix their remuneration.

* For identification purpose only

NOTICE OF ANNUAL GENERAL MEETING

5. As special business, to consider and, if thought fit, pass with or without modification, the following resolution as an ordinary resolution:

ORDINARY RESOLUTION

“THAT:

- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of HK\$0.05 each in the capital of the Company on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) or on any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other recognised stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate number of shares of the Company which the directors of the Company are authorised to repurchase pursuant to the approval in paragraph (a) above shall not exceed 10 percent of the total number of shares of the Company in issue as at the date of passing this Resolution provided that if any subsequent consolidation or subdivision of shares of the Company is effected, the maximum number of shares of the Company that may be repurchased pursuant to the approval in paragraph (a) above as a percentage of the total number of issued shares of the Company immediately before and after such consolidation or subdivision shall be the same and such maximum number of shares of the Company shall be adjusted accordingly; and
- (c) for the purposes of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the laws of Bermuda or the bye-laws of the Company to be held; or
 - (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting of the Company.”

NOTICE OF ANNUAL GENERAL MEETING

6. As special business, to consider and, if thought fit, pass with or without modification, the following resolution as an ordinary resolution:

ORDINARY RESOLUTION

“THAT:

- (a) subject to paragraph (c) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.05 each in the capital of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such powers be and are hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of shares of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than (i) pursuant to a Rights Issue (as hereinafter defined); (ii) an issue of shares under any option scheme or similar arrangement for the time being adopted for the grant or issue to employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; or (iii) pursuant to an issue of shares as scrip dividends pursuant to the bye-laws of the Company from time to time, shall not exceed 20 percent of the total number of shares of the Company in issue as at the date of passing this Resolution provided that if any subsequent consolidation or subdivision of shares of the Company is effected, the maximum number of shares of the Company that may be issued pursuant to the approval in paragraph (a) above as a percentage of the total number of issued shares of the Company immediately before and after such consolidation or subdivision shall be the same and such maximum number of shares of the Company shall be adjusted 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 laws of Bermuda or the bye-laws of the Company to be held; or

NOTICE OF ANNUAL GENERAL MEETING

- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting of the Company; and

“Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to the holders of shares of the Company on the register on a fixed record date in proportion to their then holdings of such shares as at that date (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 applicable to the Company).”

- 7. As special business, to consider and, if thought fit, pass with or without modification, the following resolution as an ordinary resolution:

ORDINARY RESOLUTION

“**THAT** subject to the passing of the Resolutions in items 5 and 6 of the notice convening this meeting, the general mandate granted to the directors of the Company to allot, issue and deal with additional shares of the Company pursuant to the Resolution in item 6 of the notice convening this meeting be and is hereby extended by the addition thereto of the aggregate number of shares of the Company repurchased by the Company under the authority granted pursuant to the Resolution in item 5 of the notice convening this meeting.”

- 8. As special business, to consider and, if thought fit, pass the following resolution as a special resolution:

SPECIAL RESOLUTION

“**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the Bonus Shares (as hereinafter defined):

- (a) upon the recommendation of the directors of the Company (the “Directors”), an amount standing to the credit of the share premium account of the Company be capitalised and accordingly the Directors be and are hereby authorised and directed to apply such amount in paying up in full at par value unissued shares of HK\$0.05 each in the share capital of the Company (the “Bonus Shares”), and that such Bonus Shares shall be issued, allotted and distributed, credited as fully paid up at par value on a pro rata basis to and amongst those shareholders whose names appear on the register of members of the Company (“Register of Members”) at the close of business on Wednesday, 8 July 2015 (the “Record Date”) on the basis of one Bonus Share for every five existing shares of HK\$0.05 each in the share capital of the Company held by them respectively on the Record Date as at the close of business;

NOTICE OF ANNUAL GENERAL MEETING

- (b) in case where the address of any shareholder of the Company as shown on the Register of Members as at the close of business on the Record Date is outside Hong Kong (the “Overseas Shareholders”) and upon making relevant enquiries, the Directors consider the exclusion of such Overseas Shareholders is necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place, the Bonus Shares shall not be issued to such Overseas Shareholders (the “Non-Qualifying Shareholders”) but shall be aggregated and sold in the market as soon as practicable after dealing in the Bonus Shares commences. Any net proceeds of such sale, after deduction of expenses, of HK\$100 or more, will be distributed in Hong Kong dollars to the relevant Non-Qualifying Shareholders on a pro rata basis and posted to them the remittances therefor at their own risk, unless the amount falling to be distributed to any such person is less than HK\$100 in which case it will be retained for the benefit of the Company;
- (c) no fractional Bonus Shares shall be issued to shareholders of the Company and fractional entitlements (if any) will be aggregated and sold for the benefit of the Company;
- (d) the Bonus Shares to be issued pursuant to this Resolution shall be subject to the memorandum of association and bye-laws of the Company and shall rank *pari passu* in all respects with the shares of HK\$0.05 each in the share capital of the Company in issue on the Record Date as at the close of business, except that they will not rank for the bonus issue of shares mentioned in this Resolution and the final dividend and special dividend for the year ended 31 December 2014; and
- (e) the Directors be and are hereby authorised to do all acts and things as may be necessary and expedient in connection with the allotment and issue of the Bonus Shares, including, but not limited to, determining the amount to be capitalised out of the share premium account of the Company and the number of Bonus Shares to be allotted, issued and distributed in the manner referred to in paragraph (a) of this Resolution.”

By Order of the Board
Pak Fah Yeow International Limited
LO Tai On
Company Secretary

Hong Kong, 17 April 2015

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. Any member of the Company entitled to attend and vote at the annual general meeting (the “Meeting”) is entitled to appoint a proxy to attend and vote instead of him. A member of the Company holding two or more shares may appoint more than one proxy. A proxy need not be a member of the Company.
2. To be valid, a proxy form, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be lodged with the head office and principal place of business of the Company at 11th Floor, 200 Gloucester Road, Wan Chai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
3. The register of members will be closed from Tuesday, 9 June 2015 to Thursday, 11 June 2015, both days inclusive, during which no transfer of shares will be effected. In order to qualify for attendance at the Meeting, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong Share Registrar, Tricor Standard Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 8 June 2015.
4. The register of members of the Company will also be closed from Monday, 6 July 2015 to Wednesday, 8 July 2015, both days inclusive, during which no transfer of shares will be effected. To rank for the proposed final dividend and special dividend and to qualify for the Bonus Issue (as defined in the circular to shareholders dated 17 April 2015), all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong Share Registrar, Tricor Standard Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on Friday, 3 July 2015.
5. With regard to item no.3 in this notice, the board of directors of the Company proposes that the retiring directors, namely Mr. GAN Wee Sean and Mr. Lawrence LEUNG Man Chiu be re-elected as directors of the Company. Details of the above retiring directors are set out in Appendix II to the circular to shareholders dated 17 April 2015.