
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

**SAME TIME HOLDINGS LIMITED**

(Incorporated in Bermuda with limited liability)

(Stock Code : 451)

Directors :
YIP Sum Yin (*Chairman*)
YIP Tak Yin
YU Hung Min
LAI Wing Leung, Peter*
LAM Kwok Cheong*
LEE Mei Ling*

Principal office:
17th Floor, Phase 1
Kingsford Industrial Building
26-32 Kwai Hei Street
Kwai Chung, New Territories
Hong Kong

* *Independent non-executive directors*

31st July, 2006

To the shareholders

Dear Sir or Madam,

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

INTRODUCTION

At the annual general meeting of Same Time Holdings Limited (the “Company”) for the year ended 31st March, 2006, resolutions will be proposed to grant to the directors of the Company general mandates to issue shares and repurchase shares of the Company.

The purpose of this circular is to give you further details of the abovementioned proposals and notice of the annual general meeting of the Company for the year ended 31st March, 2006 (the “AGM”). In compliance with the Listing Rules of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), this circular also contains the explanatory statement and gives all the 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, together with particulars of the directors proposed to be re-elected at the AGM.

GENERAL MANDATE TO ISSUE SHARES

At the AGM, an ordinary resolution will be proposed to grant a general mandate to the directors of the Company to allot, issue and dispose of shares of the Company not exceeding 20 per cent. of the issued share capital of the Company to provide flexibility to the Company to raise fund by issue of shares efficiently. On 25th July, 2006 (the “Latest Practicable Date”), being the latest practicable date prior to printing of this circular, there were in issue an aggregate of 47,438,520 shares of HK\$0.10 each of the Company (“Shares”). On the assumption that no Share will be issued prior to the AGM, exercise in full of the mandate could result in up to 9,487,704 Shares being issued by the Company.

GENERAL MANDATE TO REPURCHASE SHARES

At the AGM, an ordinary resolution will also be proposed that the directors be given a general mandate to exercise all powers of the Company to repurchase issued and fully paid shares of the Company. Under such mandate, the number of shares that the Company may repurchase shall not exceed 10 per cent. of the share capital of the Company in issue on the date of the resolution. The Company’s authority is restricted to purchases made on the Stock Exchange in accordance with the Listing Rules of the Stock Exchange. Based on 47,438,520 Shares in issue as at the Latest Practicable Date and on the assumption that no Shares will be issued prior to the AGM, exercise in full of the mandate could result in up to 4,743,852 Shares being repurchased by the Company. The mandate allows the Company to make or agree to make purchases only during the period ending on the earliest of the date of the next annual general meeting, the date by which the next annual general meeting of the Company is required to be held by law or the date upon which such authority is revoked or varied by an ordinary resolution of the shareholders in a general meeting of the Company.

The directors have no present intention to repurchase any Shares but consider that the mandate will provide the Company with the flexibility to make such repurchase when appropriate and beneficial to the Company. Such repurchases may enhance the net value of the Company and/or earnings per Share. With reference to the financial position of the Company as at 31st March, 2006 (being the date of its latest audited accounts), the directors consider that there would be a material adverse impact on the working capital and on the gearing position of the Company in the event that the proposed purchases were to be carried out in full during the proposed purchase period. No purchase would be made in circumstances that would have a material adverse impact on the working capital or gearing ratio of the Company.

The Company is empowered by its Memorandum of Association and Bye-laws to purchase its Shares. Bermuda law 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 funds of the Company that would otherwise be available for dividend or distribution or the proceeds of a new issue of shares made for such 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 or contributed surplus accounts of the Company. Under Bermuda law, the shares so repurchased will be treated as cancelled but the aggregate amount of authorised share capital will not be reduced.

The directors intend to apply the capital paid up on the relevant Shares or the profit that would otherwise be available for distribution by way of dividend for any purchase of its Shares.

Directors, their associates and connected persons

None of the directors nor, to the best of the knowledge and belief of the directors having made all reasonable enquiries, any of the associates of any of the directors has any present intention, in the event that the proposal is approved by shareholders, to sell Shares to the Company.

No connected person of the Company (as defined in the Listing Rules of the Stock Exchange) has notified the Company that he/she has a present intention to sell Shares to the Company nor has he/she undertaken not to sell any of the Shares held by him/her to the Company in the event that the Company is authorised to make purchases of Shares.

Undertaking of the directors

The directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases pursuant to the proposed resolution in accordance with the Listing Rules of the Stock Exchange and all applicable laws of Bermuda, and in accordance with the regulations set out in the Memorandum of Association and Bye-laws of the Company.

Effect of Takeovers Code

A repurchase of Shares by the Company may result in an increase in the proportionate interest of a substantial shareholder of the Company in the voting rights of the Company, which could give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Hong Kong Code on Takeovers and Mergers (the “Code”).

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, Sum Tai Holdings Limited (a company wholly owned by a discretionary trust established for the benefit of Mr. Yip Sum Yin, the Chairman of the Company, and his family) together with Maroc Ventures Inc. (a company wholly owned by a discretionary trust established for the benefit of Mr. Yip How Yin, a brother of Mr. Yip Sum Yin, and his family), which together held an aggregate of approximately 29.89 per cent. of the issued share capital of the Company, were the only substantial shareholders holding more than 10 per cent. of the issued share capital of the Company. In the event that the directors should exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the resolution, the aggregate shareholding of Sum Tai Holdings Limited and Maroc Ventures Inc. in the Company would be increased to approximately 33.21 per cent. of the issued share capital of the Company and such increase would give rise to an obligation on it to make a mandatory offer under Rule 26 of the Code.

Stock Exchange Rules for repurchases of shares

The Listing Rules of the Stock Exchange permit companies whose primary listings are on the Stock Exchange to repurchase their shares on the Stock Exchange subject to certain restrictions, the most important of which are summarised below:

(a) Shareholders' approval

The Listing Rules provide that all shares repurchases on the Stock Exchange by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, which may be by way of general mandate, or by special resolution in relation to specific transactions.

(b) Source of funds

Repurchases must be funded out of funds legally available for the purpose.

General

During each of the six months preceding the date of this circular, no Share has been repurchased by the Company.

During each of the previous 12 months, the highest and lowest traded prices for Shares on the Stock Exchange were as follows:-

Month	Per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2005		
July	4.100	2.200
August	2.125	1.700
September	1.940	1.630
October	2.050	1.300
November	1.500	1.250
December	1.500	1.260
2006		
January	1.500	1.300
February	1.500	1.300
March	1.500	1.250
April	1.450	1.100
May	1.320	1.100
June	1.120	1.020

ANNUAL GENERAL MEETING

You will find on pages 8 to 10 of this circular a notice of the AGM to be held at 12:00 noon on 30th August, 2006 at 17th Floor, Phase 1, Kingsford Industrial Building, 26-32 Kwai Hei Street, Kwai Chung, New Territories, Hong Kong.

Resolution no. 4A will be proposed as an ordinary resolution to give a general mandate to the directors to allot, issue and deal with shares of the Company with an aggregate nominal value not exceeding 20 per cent. of the share capital of the Company in issue as at the date of the resolution.

Resolution no. 4B will be proposed as an ordinary resolution to give a general mandate to the directors to make on-market purchases of shares of the Company of up to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of the resolution.

Resolution no. 4C will be proposed as an ordinary resolution to extend resolution no. 4A to include the aggregate nominal amount of the number of shares in the capital of the Company which are repurchased by the Company under the authority granted to the directors pursuant to resolution no. 4B.

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

According to the Bye-laws of the Company, before or on the declaration of the result of voting on a show of hands on a resolution or on withdrawal of any other demand for a poll at the AGM, a poll may be demanded by :

- (a) at least three members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy entitled to vote at the AGM; or
- (b) any member or members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy and representing not less than 10% of the total voting rights of all the members having the right to vote at the AGM; or
- (c) any member or members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy and holding shares in the Company conferring a right to vote at the AGM 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.

RE-ELECTION OF DIRECTORS

Resolutions will be proposed at the AGM for re-election of Mr. Yip Sum Yin, Madam Yu Hung Min and Mr. Yip Tak Yin as directors according to the Company's Bye-laws. Their particulars are as follows :

Mr. Yip Sum Yin, aged 57, is the Chairman of the Company and its subsidiaries (the "Group"). He is one of the co-founders of the Group, which was founded in 1982. He has over 32 years of experience in the electronics industry and is responsible for the Group's overall policy decisions as well as product research and development. For the year ended 31st March, 2006, Mr. Yip Sum Yin received basic salary in the total sum of HK\$1,950,000 from the Company. In addition, the Company paid Mr. Yip Sum Yin's salary tax which amounted to HK\$969,585, the premium of his life insurance policy which amounted to HK\$40,000, provide a motor car for the use of Mr. Yip Sum Yin, and made provident fund contribution as part of his emoluments.

Madam Yu Hung Min, aged 52, is an executive director of the Company and a director of various subsidiaries of the Company. She is one of the co-founders of the Group. She had worked for a semiconductor manufacturing company for more than 6 years and a LCD watch manufacturing company for another 4 years before founding the Group in 1982. She is responsible for the Group's administration. Madam Yu is the spouse of Mr. Yip Sum Yin. For the year ended 31st March, 2006, Madam Yu Hung Min received basic salary in the total sum of HK\$1,560,000. In addition, the Company paid Madam Yu Hung Min's salary tax which amounted to HK\$577,744 and made provident fund contribution as part of her emoluments.

Mr. Yip Tak Yin, aged 48, is an executive director of the Company and various subsidiaries of the Company. He has over 12 years of experience in the electronic industry and over 7 years of experience in the financial industry. He has been a fellow member of the Canadian Securities Institute since 2001 after being awarded professional designations as Derivatives Market Specialist, Canadian Investment Manager and Financial Management Advisor from the Canadian Securities Institute. Mr. Yip Tak Yin is a brother of Mr. Yip Sum Yin. For the year ended 31st March, 2006, Mr. Yip Tak Yin received basic salary in the total sum of HK\$321,723.04.

As at the Latest Practicable Date, Sum Tai Holdings Limited ("Sum Tai") held 10,580,475 Shares. Sum Tai is wholly owned by Aberdare Assets Limited ("Aberdare"). Aberdare is wholly owned by a trustee of a discretionary trust established for the benefit of Mr. Yip Sum Yin, Madam Yu Hung Min and their family. As at the Latest Practicable Date, Maroc Ventures Inc. ("Maroc") held 3,598,498 Shares. Maroc is wholly owned by Mr. Yip Sum Yin as trustee of a discretionary trust established for the benefit of his brother and his brother's family. Mr. Yip Sum Yin and Madam Yu Hung Min are deemed to have interests in 14,178,973 Shares and 10,580,475 Shares of the Company respectively within the meaning of Part XV of the Securities and Futures Ordinance ("SFO").

Mr. Yip Tak Yin has no interest in shares of the Company within the meaning of Part XV of the SFO.

Save as disclosed above, the abovenamed directors did not have any directorship in listed public companies in the last three years.

The abovenamed directors do not have any written service contract with the Company. They are not appointed for a specific term but are subject to retirement by rotation in annual general meetings of the Company in accordance with the Bye-laws of the Company. Emoluments of the abovenamed directors are determined based on the relevant directors' time and effort devoted to the Company's affairs, their experience and contribution made to the Company.

The abovenamed directors confirm that save as disclosed above, there is no information which is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and there is no other matters that need to be brought to the attention of shareholders of the Company.

RECOMMENDATION

The directors consider that the proposed granting of the mandates to issue and repurchase shares of the Company are in the interest of the Company and so recommend you to vote in favour of all the relevant resolutions at the AGM. The directors will vote all their shareholdings in favour of such resolutions.

Yours faithfully,
By order of the Board
YIP Sum Yin
Chairman

NOTICE OF ANNUAL GENERAL MEETING



SAME TIME HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code : 451)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of the abovenamed company (the “Company”) will be held at 17th Floor, Phase 1, Kingsford Industrial Building, 26-32 Kwai Hei Street, Kwai Chung, New Territories, Hong Kong on 30th August, 2006 at 12:00 noon for the following purposes:

1. To receive and consider the audited financial statements and the reports of the directors and auditors for the year ended 31st March, 2006.
2. To elect directors and to authorise the board of directors to fix their remuneration.
3. To appoint auditors and to authorise the board of directors to fix their remuneration.
4. As special business, to consider and, if thought fit, pass the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

A. “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 allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital 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 a Rights Issue or scrip dividend scheme or similar arrangement of the Company or the exercise of the subscription rights under the share option scheme of the Company shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of this resolution and the said approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

- (d) for the purposes of this resolution :

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier 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 to be held; and
- (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to holders of shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

B. “THAT :

- (a) the exercise by the directors of the Company 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 purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of this resolution and the said approval be limited accordingly; and
- (c) for the purposes of this resolution :

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier 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 to be held; and

NOTICE OF ANNUAL GENERAL MEETING

(iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

C. “**THAT** conditional upon resolution no. 4B above being passed, the aggregate nominal amount of the number of shares in the capital of the Company which are repurchased by the Company under the authority granted to the directors as mentioned in resolution no. 4B above shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to resolution no.4A above.””

By Order of the Board
Ho Heung Ming
Company Secretary

Hong Kong, 31st July, 2006

Principal office :

17th Floor, Phase 1
Kingsford Industrial Building
26-32 Kwai Hei Street
Kwai Chung, New Territories
Hong Kong

Note : A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint proxies to attend and, in the event of a poll, vote in his stead. A proxy need not be a member of the Company. In order to be valid, the form of proxy must be deposited at the Company’s principal office in Hong Kong together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting.