
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold all your shares in China Rare Earth Holdings Limited, you should at once hand this circular together with the enclosed form of proxy to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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中國稀土控股有限公司
China Rare Earth Holdings Limited
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 769)

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

A notice convening the Annual General Meeting of the Company to be held at 27th Floor, Club Lusitano, 16 Ice House Street, Central, Hong Kong, on Friday, 3 June 2016 at 10:30 a.m. is set out on pages 12 to 16 of this circular. A form of proxy for use at the Annual General Meeting is also enclosed. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.creh.com.hk).

Whether or not you are able to attend the meeting in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same as soon as possible and in any event no later than 48 hours before the time of the meeting or any adjournment thereof to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting or any adjournment thereof should you so wish.

25 April 2016

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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 at 27th Floor, Club Lusitano, 16 Ice House Street, Central, Hong Kong on Friday, 3 June 2016 at 10:30 a.m., the notice of which is set out on pages 12 to 16 of this circular, and at any adjournment thereof
“Articles”	the articles of association of the Company currently in force
“Board”	the board of Directors
“Company”	China Rare Earth Holdings Limited, a company incorporated in the Cayman Islands and the issued Shares of which are listed on the Stock Exchange
“Companies Law”	the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Director(s)”	the director(s) of the Company
“Extension Mandate”	a general and unconditional mandate to the Directors to the effect that any Shares repurchased under the Repurchase Mandate will be added to the total number of Shares which may be allotted and issued under the Issue Mandate
“Group”	the Company and its subsidiaries, and the expression “member(s) of the Group” shall be construed accordingly
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	a general and unconditional mandate to the Directors to exercise the power of the Company to allot, issue or otherwise deal with Shares up to a maximum of 20% of the total number of issued shares of the Company as at the date of passing the relevant resolution at the Annual General Meeting
“Latest Practicable Date”	18 April 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Repurchase Mandate”	a general and unconditional mandate to the Directors to enable them to repurchase Shares which shall not exceed 10% of the total number of issued shares of the Company as at the date of passing the relevant resolution at the Annual General Meeting
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	registered holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong
“%”	per cent

LETTER FROM THE BOARD



中國稀土控股有限公司
China Rare Earth Holdings Limited

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 769)

Executive Directors:

Jiang Quanlong, *Chairman*
Qian Yuanying, *Deputy Chairman*
Jiang Cainan

Independent Non-executive Directors:

Huang Chunhua
Jin Zhong
Wang Guozhen

Registered office:

Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Principal place of business

in Hong Kong:
15th Floor, Club Lusitano
16 Ice House Street
Central
Hong Kong

25 April 2016

To the Shareholders

Dear Sir or Madam

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

INTRODUCTION

The primary purpose of this circular is to provide you with information regarding the resolutions to be proposed at the Annual General Meeting and to give you notice of the Annual General Meeting. Resolutions to be proposed at the Annual General Meeting include ordinary resolutions relating to the proposed grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate and re-election of Directors.

ISSUE MANDATE

At the Annual General Meeting, an ordinary resolution will be proposed that the Directors be given the Issue Mandate, i.e. a general and unconditional mandate to allot, issue and deal with new Shares up to 20% of the total number of issued shares of the Company as at the date of passing of the relevant resolution. As at the Latest Practicable Date, a total of 2,341,700,281 Shares were in issue. Subject to the passing of the proposed resolution granting the Issue Mandate to the Directors and on the basis that no Shares will be issued or repurchased by the Company prior to the Annual General Meeting, the Company will be allowed under the Issue Mandate to issue a maximum of 468,340,056 Shares.

LETTER FROM THE BOARD

REPURCHASE MANDATE AND EXTENSION MANDATE

An ordinary resolution will also be proposed at the Annual General Meeting to give the Directors the Repurchase Mandate, i.e. a general and unconditional mandate to exercise all powers of the Company to repurchase, on the Stock Exchange, or on any other stock exchange on which the Shares may be listed, Shares up to a maximum of 10% of the total number of issued shares of the Company as at the date of passing of the relevant resolution. Based on the 2,341,700,281 Shares in issue as at the Latest Practicable Date and assuming no Shares are issued or repurchased before the Annual General Meeting, the Company would therefore be allowed under this mandate to repurchase a maximum of 234,170,028 Shares.

In addition, an ordinary resolution regarding the Extension Mandate will be proposed at the Annual General Meeting providing that any Shares repurchased under the Repurchase Mandate (up to a maximum of 10% of the issued Shares as at the date of the grant of the Repurchase Mandate) will be added to the total number of Shares which may be allotted and issued under the Issue Mandate.

The Issue Mandate and the Repurchase Mandate would expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company; or (b) the end of the period within which the Company is required by the Companies Law or the Articles to hold its next annual general meeting; or (c) when revoked or varied by ordinary resolution(s) of the Shareholders in a general meeting prior to the next annual general meeting of the Company.

Under the Listing Rules, the Company is required to give to all Shareholders all information which is reasonably necessary to enable Shareholders to make an informed decision as to whether to vote for or against the resolution in respect of the Repurchase Mandate at the Annual General Meeting. An explanatory statement for such purpose is set out in Appendix I to this circular.

ANNUAL GENERAL MEETING

The notice of the Annual General Meeting is set out on pages 12 to 16 of this circular for the purpose of considering and, if thought fit, passing the resolutions set out therein.

Whether or not you are able to attend the Annual General Meeting in person, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon as soon as possible and, in any event no later than 48 hours before the time appointed for the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders (except for procedural and administrative matters) at a general meeting must be taken by poll. An announcement on the poll results will be published by the Company after the Annual General Meeting on Hong Kong Exchanges and Clearing Limited's website at www.hkexnews.hk and the Company's website at www.creh.com.hk in accordance with Rule 13.39(5) of the Listing Rules.

LETTER FROM THE BOARD

RE-ELECTION OF DIRECTORS

In accordance with Articles 108(A) and (B) of the Articles, Mr. Jiang Quanlong and Mr. Wang Guozhen will retire as Directors by rotation and, being eligible, offer themselves for re-election at the Annual General Meeting.

The particulars of these two Directors which are required to be disclosed by the Listing Rules are set out in Appendix II to this circular.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive and there are no other matters the omission of which would make any statement in this circular or this circular misleading.

GENERAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this circular.

RECOMMENDATION

The Directors believe that the grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate are beneficial to the Company and the Shareholders as a whole.

The Directors believe that an exercise of the Issue Mandate will enable the Company to take advantage of market conditions to raise additional capital for the Company.

The Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be exercised when the Directors believe that repurchases of Shares will benefit the Company and the Shareholders.

An exercise of the Repurchase Mandate in full may have a material adverse impact on the working capital and gearing position of the Company compared with that as at 31 December 2015, being the date of its latest audited consolidated financial statements. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.

LETTER FROM THE BOARD

Accordingly, the Directors recommend Shareholders to vote in favour of the ordinary resolutions approving the grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate at the Annual General Meeting.

Yours faithfully

For and on behalf of the Board of
CHINA RARE EARTH HOLDINGS LIMITED
JIANG Quanlong
Chairman

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide Shareholders with all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the granting of the Repurchase Mandate.

1. LISTING RULES RELATING TO THE REPURCHASE OF SHARES

The Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their shares on the Stock Exchange and any other stock exchange on which the securities of the company are listed and such exchange is recognised by the Securities and Futures Commission of Hong Kong subject to certain restrictions. Among such restrictions, the Listing Rules provide that the shares of such company must be fully paid up and all repurchases of shares by such company must be approved in advance by an ordinary resolution of shareholders, either by way of a general repurchase mandate or by specific approval of a particular transaction.

2. SHARE CAPITAL

As at the Latest Practicable Date, there were a total of 2,341,700,281 Shares in issue.

Subject to the passing of the proposed resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 234,170,028 Shares, representing not more than 10% of the total number of issued shares of the Company as at the Latest Practicable Date.

3. REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to seek a general authority from the Shareholders to enable the Company to repurchase the Shares on the Stock Exchange or any other stock exchange on which the Shares are listed. Share repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

4. FUNDING OF REPURCHASES

Repurchases made pursuant to the Repurchase Mandate would be funded out of funds legally available for the purpose in accordance with the Company's memorandum of association, the Articles, the Companies Law and other applicable laws of the Cayman Islands. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Under the Companies Law, repurchases by the Company may only be made out of profits of the Company or out of the proceeds of a fresh issue of Shares made for the purpose, or, if so authorised by the Articles and subject to the provisions of the Companies Law, out of capital. Any premium payable on a redemption or purchase over the par value of the Shares to be purchased must be provided for out of profits of the Company or out of the Company's share premium account, or, if so authorised by the Articles and subject to the provisions of the Companies Law, out of capital.

Taking into account the current working capital or gearing position of the Company, the Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or gearing position of the Company (as compared with the position as at 31 December 2015, being the date of its latest audited consolidated financial statements). However, the Directors do not intend to make any repurchases to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing position of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

5. SHARE PRICES

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

	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
April 2015	1.64	1.01
May 2015	1.52	1.31
June 2015	1.39	1.06
July 2015	1.16	0.78
August 2015	0.90	0.63
September 2015	0.74	0.62
October 2015	0.79	0.62
November 2015	0.74	0.65
December 2015	0.68	0.61
January 2016	0.65	0.41
February 2016	0.58	0.43
March 2016	0.61	0.51
April 2016 (up to the Latest Practicable Date)	0.61	0.50

6. UNDERTAKING

The Directors have undertaken to the Stock Exchange that they will exercise the powers of the Company to make repurchases under the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

7. DISCLOSURE OF INTERESTS

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

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 have undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

8. EFFECT OF TAKEOVERS CODE

If on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, 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 (as defined in the Takeovers Code) could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, so far as is known to or can be ascertained after reasonable enquiry by the Directors, YY Holdings Limited, the only Shareholder who was interested in 10% or more of the total number of issued shares of the Company, was beneficially interested in 744,755,200 Shares*, representing approximately 31.80% of the total number of issued shares of the Company. Assuming that it did not dispose of its Shares nor acquire additional Shares, if the Repurchase Mandate were exercised in full, the percentage shareholding of YY Holdings Limited will be increased to approximately 35.34% of the total number of issued shares of the Company. Such increase may give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors do not intend to exercise the power to repurchase Shares to such an extent which would render any Shareholder or group of Shareholders obliged to make a mandatory offer under Rule 26 of the Takeovers Code. In the event that the Repurchase Mandate was exercised in full, it would not result in a public shareholding of less than the minimum public float requirement of 25% of the total number of issued shares of the Company.

** Note:* These Shares are held and beneficially owned by YY Holdings Limited, the entire issued share capital of which is held by YYT (PTC) Limited, the trustee of YY Trust, the discretionary object of which is a company wholly owned by Ms. Qian Yuanying, the spouse of Mr. Jiang Quanlong, and her sons. Ms. Qian Yuanying is a founder of YY Trust within the meaning under Part XV of the Securities and Futures Ordinance. Mr. Jiang Quanlong and Ms. Qian Yuanying are directors of YY Holdings Limited.

9. SHARE REPURCHASE MADE BY THE COMPANY

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

APPENDIX II DETAILS OF DIRECTORS STANDING FOR RE-ELECTION

The biographical details of the Directors eligible for re-election at the Annual General Meeting are set out below:

EXECUTIVE DIRECTOR

Mr. Jiang Quanlong

Mr. Jiang Quanlong, aged 63, is a founding member and the chairman of the Group. Mr. Jiang is responsible for the formulation of the Group's overall business development policies. Mr. Jiang is recognized as a senior economist by Jiangsu Provincial Personnel Department. Mr. Jiang has over 30 years of experience in the rare earth and refractory materials industries. Prior to the founding of the Group, Mr. Jiang had been a factory manager of a refractory materials production plant and a sales manager of a glass and ceramics manufacturing company. He also acts as a director of various member companies of the Group. Besides, Mr. Jiang is also the chairman and an executive director of Pan Asia Environmental Protection Group Limited ("Pan Asia"), the shares of which are listed on the Stock Exchange. Saved as disclosed herein, Mr. Jiang has not held any other directorships in listed public companies in the last three years. Mr. Jiang is the husband of Ms. Qian Yuanying, the deputy chairman of the Group.

As at the Latest Practicable Date, Mr. Jiang was taken to be interested in 744,755,200 shares in the Company (representing 31.80% of the issued share capital of the Company) within the meaning of Part XV of the Securities and Futures Ordinance. The details of his other interest in associated corporations of the Company are disclosed in the Directors' Report of the Company for the year ended 31 December 2015.

Mr. Jiang had entered into a service contract with the Company for an initial term of three years commencing 1 September 1999 and expiring on 31 August 2002 and is renewable automatically for successive terms of one year each commencing from the date next after the expiry of the then current term of the appointment. For the year ended 31 December 2015, Mr. Jiang has received director's emolument in a total sum of HK\$1,430,000, which is determined by the Board of the Company on the basis of Mr. Jiang's experience, responsibility, workload and the time devoted to the Group and is subject to the review of the remuneration committee from time to time and the approval by the Shareholders at the Company's annual general meetings.

There is no information which is discloseable nor is/was he involved in any matters required to be disclosed pursuant to any of the requirements of the provisions under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

Saved as disclosed above, there are no other matters concerning Mr. Jiang that need to be brought to the attention of the Shareholders.

INDEPENDENT NON-EXECUTIVE DIRECTOR**Mr. Wang Guozhen**

Mr. Wang Guozhen, aged 80, joined the Group in 2012 as an independent non-executive director of the Company. Mr. Wang graduated from Tianjin University, majoring in Physical chemistry of metals. Currently Mr. Wang is a senior expert consultant in rare earth projects of China Enfi Engineering Corporation. For the period from 1987 to 1994, Mr. Wang was a member of the Experts Group of the Rare Earth Leading Group of the State Council, the People's Republic of China and the head of its industry group. From 1994 to 2006, Mr. Wang was a member of the Group of Rare Earth Experts of the National Development and Reform Commission and the head of its industry group. Mr. Wang also worked at the Chinese Society of Rare Earths (the "CSRE") consecutively as a director, a standing director, an expert in its rare earth experts group and a senior member of its Rare Earth Related Environmental Protection and Labor Hygiene Professional Committee from 1980 to 2009. In 2009, Mr. Wang was appointed as honorary executive of the CSRE. Besides, Mr. Wang is also an independent non-executive director of Pan Asia. Saved as disclosed herein, Mr. Wang has not held any other directorships in listed public companies in the last three years.

Mr. Wang (i) has no relationships with any Directors, senior management or substantial or controlling Shareholders of the Company, (ii) does not have any interest in Shares in the Company within the meaning of Part XV of the Securities and Futures Ordinance as at the Latest Practicable Date, and (iii) does not hold other positions with other members of the Group.

Mr. Wang had entered into a service contract with the Company in which his term of office is for a period of two years commencing 1 August 2012 and expiring on 31 July 2014 and is renewable automatically for successive terms of one year each commencing from the date next after the expiry of the then current term of the appointment. For the year ended 31 December 2015, Mr. Wang has received director's emolument in a total sum of RMB60,000, which is determined by the Board of the Company on the basis of Mr. Wang's experience, responsibility, workload and the time devoted to the Group and is subject to the review of the remuneration committee from time to time and the approval by the Shareholders at the Company's annual general meetings.

There is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements under the Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

Saved as disclosed above, there are no other matters concerning Mr. Wang that need to be brought to the attention of the Shareholders.

NOTICE OF ANNUAL GENERAL MEETING



中國稀土控股有限公司
China Rare Earth Holdings Limited
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 769)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of China Rare Earth Holdings Limited (the “Company”) will be held at 27th Floor, Club Lusitano, 16 Ice House Street, Central, Hong Kong, on Friday, 3 June 2016 at 10:30 a.m. to consider and, if thought fit, transact the following ordinary business:

1. to receive and consider the audited consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2015 and the Directors’ report and the Independent Auditor’s report thereon;
2. (a) to re-elect Mr. Jiang Quanlong as an executive director (“Director”) of the Company;
(b) to re-elect Mr. Wang Guozhen as an independent non-executive director of the Company;
(c) to authorise the board (the “Board”) of Directors to fix the Directors’ remuneration;
3. to re-appoint the retiring auditor, Crowe Horwath (HK) CPA Limited and to authorise the Board of Directors to fix its remuneration;
4. to consider and, if thought fit, pass with or without modifications the following resolution as an Ordinary Resolution:

“THAT:

- (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), the exercise by the Directors of the Company during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and deal with the unissued shares of HK\$0.10 each in the capital of the Company and to make or grant offers, agreements and options, including warrants to subscribe for shares, which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such powers after the end of the Relevant Period;

NOTICE OF ANNUAL GENERAL MEETING

(c) the total number of issued shares 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 pursuant to:

- (1) a Rights Issue (as hereinafter defined); or
- (2) any share option scheme of the Company; or
- (3) any issue of shares in lieu of the whole or part of a dividend on shares in accordance with the Articles of Association of the Company and other relevant regulations; or
- (4) any issue of shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into shares,

shall not exceed twenty per cent (20%) of the total number of issued shares of the Company at the date of passing of this Resolution, and the said approval shall be limited accordingly; and

(d) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (1) the conclusion of the next annual general meeting of the Company;
- (2) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the Articles of Association of the Company to be held; and
- (3) the revocation or variation of the mandate granted under this Resolution by an Ordinary Resolution of the members of the Company in general meeting.

“Rights Issue” means an offer of shares, or offer or issue of warrants, options or other securities giving rights to subscribe for shares open for a period fixed by the Directors of the Company to holders of shares of the Company whose names appear on the Company’s Register of Members on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

NOTICE OF ANNUAL GENERAL MEETING

5. to consider and, if thought fit, pass with or without modifications the following resolution as an Ordinary Resolution:

“THAT:

- (a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period (as defined in paragraph (c) below) of all powers of the Company to purchase shares of HK\$0.10 each in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), or 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 such purpose, and subject to and in accordance with the rules and regulations of the Securities and Futures Commission of Hong Kong, the Stock Exchange, the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and all other applicable laws in this regard, be and is hereby generally and unconditionally approved;
- (b) the total number of shares of the Company which may be purchased or agreed to be purchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed ten per cent (10%) of the total number of issued shares of the Company at the date of passing this Resolution and the said approval shall be limited accordingly; and
- (c) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (1) the conclusion of the next annual general meeting of the Company;
- (2) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the Articles of Association of the Company to be held; and
- (3) the revocation or variation of the mandate granted under this Resolution by an Ordinary Resolution of the members of the Company in general meeting.”

NOTICE OF ANNUAL GENERAL MEETING

6. as special business, to consider and, if thought fit, pass with or without modifications the following resolution as an Ordinary Resolution:

“**THAT** conditional on the passing of Resolutions No. 4 and 5 as set out above, the general mandate granted to the Directors of the Company to allot, issue and deal with additional shares of the Company pursuant to Resolution No. 4 above be and is hereby extended by the addition thereto of the number of the shares of the Company purchased or agreed to be purchased by the Company under the authority granted pursuant to Resolution No. 5 above, provided that such amount shall not exceed ten per cent (10%) of the total number of issued shares of the Company at the date of passing this Resolution.”

By Order of the Board
LAW Lap Tak
Company Secretary

Hong Kong, 25 April 2016

Principal Place of Business in Hong Kong:

15th Floor, Club Lusitano

16 Ice House Street

Central

Hong Kong

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. All resolutions at the meeting will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Listing Rules. The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
2. A member entitled to attend and vote at the meeting mentioned above is entitled to appoint in written form one or more proxies to attend and vote instead of him/her. A proxy need not be a member of the Company. On a poll, votes may be given either personally or by proxy.
3. To be valid, the proxy form together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority must be deposited at the offices of the Company's Hong Kong branch share registrar ("Branch Registrar"), Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time of the above meeting or adjourned meeting.
4. The Register of Members of the Company will be closed from 31 May 2016 to 3 June 2016 (both days inclusive), during which period no transfer of the Company's shares will be effected. In order to determine the entitlement to attend and vote at the Annual General Meeting, all share certificates with completed transfer forms, either overleaf or separately, must be lodged with the Branch Registrar at Rooms 1712 – 1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on 30 May 2016.
5. Delivery of an instrument appointing a proxy should not preclude a member from attending and voting in person at the above meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
6. In relation to Resolutions No. 2(a) and 2(b) above, details of Directors standing for re-election are set out in Appendix II to the circular of the Company dated 25 April 2016.
7. In relation to Resolution No. 4 above, approval is being sought from the shareholders of the Company for the grant to the Directors of a general mandate to authorise the allotment and issue of shares under the Listing Rules. The Directors have no immediate plans to issue any new shares of the Company other than shares which may fall to be issued under the share option scheme of the Company or any scrip dividend scheme which may be approved by the shareholders.
8. In relation to Resolution No. 5 above, the Directors wish to state that they will exercise the powers conferred thereby to purchase shares of the Company in circumstances, which they deem appropriate for the benefit of the shareholders.
9. In the case of joint holders of a share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto but if more than one of such joint holders are present at the above meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the Register of Members of the Company in respect of the joint holding.