

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

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

**If you have sold or transferred all** your shares in Evergrande Real Estate Group Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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

A notice convening the annual general meeting of the Company to be held at 3:00 p.m. on Thursday, 31 May 2012 at the Ballroom, JW Marriott Hotel Hong Kong, Pacific Place, Admiralty, Hong Kong is set out at pages 12 to 15 of this circular. A form of proxy for use at the annual general meeting is also enclosed.

Whether or not you intend to attend the annual general meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it 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 as soon as possible and in any event not later than 48 hours before the time appointed for the holding of 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 said meeting or any adjourned meeting thereof should you so wish.

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## DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at 3:00 p.m. on Thursday, 31 May 2012 at the Ballroom, JW Marriott Hotel Hong Kong, Pacific Place, Admiralty, Hong Kong, for the purpose of considering and if thought fit, approving the resolutions proposed in this circular
“Articles of Association”	the articles of association of the Company as amended from time to time
“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Companies Law”	the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	Evergrande Real Estate Group Limited (恒大地產集團有限公司), a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Stock Exchange
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“General Mandate”	a general and unconditional mandate to be granted to the Directors to allot, issue and otherwise deal with new share and other securities, with an aggregate nominal amount not exceeding the sum of 20% of the issued share capital of the Company as at the date of passing of the relevant resolutions, and the aggregate nominal value of the share capital of the Company repurchased by the Company (if any)
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	23 April 2012, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China

## DEFINITIONS

“Repurchase Mandate”	a general and unconditional mandate to the Directors to exercise the power of the Company to repurchase shares in the capital of the Company up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolutions
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) with a nominal value of US\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“US\$”	United States dollar, the lawful currency of the United States
“%”	per cent.

LETTER FROM THE BOARD



恒大地產集團®

EVERGRANDE REAL ESTATE GROUP

**Evergrande Real Estate Group Limited**

恒大地產集團有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 3333)**

*Executive Directors:*

Mr. Hui Ka Yan (*Chairman*)  
Mr. Xia Haijun (*Vice Chairman and President*)  
Mr. Li Gang (*Vice Chairman and Standing Vice President*)  
Mr. Tse Wai Wah  
Mr. Xu Xiangwu  
Mr. Xu Wen  
Mr. Lai Lixin  
Ms. He Miaoling

*Independent Non-executive Directors:*

Mr. Yu Kam Kee, Lawrence  
Mr. Chau Shing Yim, David  
Mr. He Qi

*Registered Office:*

P.O. Box 309  
Ugland House  
Grand Cayman, KY1-1104  
Cayman Islands

*Principal place of business in the PRC:*

23rd Floor, Talent Building  
45 Tianhe Road  
Guangzhou, Guangdong Province  
China (Postal Code: 510075)

*Principal place of business  
in Hong Kong:*

Suites 1501–1507  
One Pacific Place  
88 Queensway, Hong Kong

30 April 2012

*To the Shareholders:*

Dear Sir or Madam,

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

**INTRODUCTION**

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the Annual General Meeting relating to the renewal of the general mandates to allot, issue and deal with the Shares and to repurchase Shares, and the re-election of Directors.

## LETTER FROM THE BOARD

At the Annual General Meeting, resolutions will be proposed, among others, for the Shareholders to approve (i) the renewal of the General Mandate and the Repurchase Mandate; (ii) the extension of the General Mandate to include Shares repurchased pursuant to the Repurchase Mandate; and (iii) the re-election of Directors.

### **RENEWAL OF GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES**

At the annual general meeting of the Company held on 27 May 2011, ordinary resolutions were passed giving general mandates to the Directors (i) to allot and issue Shares with an aggregate nominal value of not exceeding 20% of the aggregate nominal value of the issued share capital of the Company as at the date of passing of the relevant resolution and (ii) to repurchase Shares in the share capital of the Company of up to 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution. Such general mandates will expire at the conclusion of the forthcoming Annual General Meeting.

At the Annual General Meeting, separate ordinary resolutions will be proposed:

- (a) to grant the General Mandate to the Directors to exercise the powers of the Company to allot and issue Shares with an aggregate nominal value not exceeding 20% of the aggregate nominal value of the issued share capital of the Company as at the date of passing the resolution. The General Mandate will end 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 the Articles of Association or the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders at a general meeting of the Company;
- (b) to grant the Repurchase Mandate to the Directors to exercise all powers of the Company to repurchase issued Shares subject to the criteria set out in this circular. Under such Repurchase Mandate, the maximum number of Shares that the Company may repurchase shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the resolution. As at the Latest Practicable Date, the number of Shares in issue was 14,953,155,000 Shares. Subject to the passing of the proposed ordinary resolution approving the granting of the Repurchase Mandate and assuming no further Shares are issued or repurchased prior to the Annual General Meeting, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 1,495,315,500 Shares, being 10% of the entire issued share capital of the Company as at the date of passing of the resolution in relation thereof. The Repurchase Mandate will end 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 the Articles of Association or the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders at a general meeting of the Company; and
- (c) subject to the passing of the aforesaid ordinary resolutions of the General Mandate and the Repurchase Mandate, to extend the number of Shares to be issued and allotted under the General Mandate by an additional number representing such number of Shares repurchased under the Repurchase Mandate.

## **LETTER FROM THE BOARD**

In accordance with the Listing Rules, an explanatory statement is set out in Appendix I to this circular to provide you with requisite information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolution to renew the grant of the Repurchase Mandate at the Annual General Meeting.

### **RE-ELECTION OF DIRECTORS**

Pursuant to Article 16.18 of the Articles of Association, Mr. Li Gang, Mr. Tse Wai Wah, Mr. Xu Xiangwu and Mr. Xu Wen will retire and, being eligible, will offer themselves for re-election as Directors at the Annual General Meeting.

At the Annual General Meeting, ordinary resolutions will be proposed to re-elect Mr. Li Gang, Mr. Tse Wai Wah, Mr. Xu Xiangwu, Mr. Xu Wen as executive Directors. The biographical details of such re-electing Directors as required to be disclosed under the Listing Rules are set out in Appendix II to this circular.

### **ANNUAL GENERAL MEETING**

The Company will convene the Annual General Meeting at 3:00 p.m. on Thursday, 31 May 2012 at the Ballroom, JW Marriott Hotel Hong Kong, Pacific Place, Admiralty, Hong Kong at which resolutions will be proposed for the purpose of considering and if thought fit, approving the resolutions proposed in the notice of the Annual General Meeting as set out on pages 12 to 15 of this circular.

A form of proxy for use in connection with the Annual General Meeting is enclosed herewith. Whether or not you intend to be present and vote at the Annual General Meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it 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 as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjournment thereof. The completion and delivery of a form of proxy will not preclude you from attending and voting at the Annual General Meeting in person should you so wish. If you attend and vote at the Annual General Meeting, the authority of your proxy will be revoked. Pursuant to Rule 13.39(4) of the Listing Rules, voting by the Shareholders at the Annual General Meeting will be by poll.

### **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 Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this document 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 herein or this document misleading.

## LETTER FROM THE BOARD

### RECOMMENDATION

The Directors consider that the renewal of the General Mandate and the Repurchase Mandate and the re-election of Directors are in the best interests of the Company as well as its Shareholders. Accordingly, the Directors recommend that the Shareholders to vote in favour of all the resolutions to be proposed at the Annual General Meeting.

Yours faithfully  
For and on behalf of  
**EVERGRANDE REAL ESTATE GROUP LIMITED**  
**Hui Ka Yan**  
*Chairman*

*This is an explanatory statement given to all Shareholders relating to a resolution to be proposed at the Annual General Meeting for approving the Repurchase Mandate. This explanatory statement contains all the information required pursuant to Rule 10.06(1)(b) and other relevant provisions of the Listing Rules which is set out as follows:*

### **1. SHARE CAPITAL**

As at the Latest Practicable Date, there was a total of 14,953,155,000 Shares in issue. Subject to the passing of the resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased during the period from the Latest Practicable Date to the Annual General Meeting, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 1,495,315,500 Shares, being 10% of the issued share capital of the Company as at the date of the passing of the relevant resolution at the Annual General Meeting.

### **2. REASONS FOR SHARE REPURCHASE**

The Directors have no present intention to repurchase any Shares but consider that the ability to do so would give the Company additional flexibility that would be beneficial to the Company and the Shareholders as such repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets value of the Company and/or its earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders as a whole.

### **3. FUNDING OF REPURCHASE**

The Company is empowered by its memorandum and articles of association to repurchase its Shares. In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum and articles of association and laws of the Cayman Islands. The laws of the Cayman Islands and the Articles of Association provide that payment for a share repurchase may only be made out of profits or the proceeds of a new issue of Shares made for such purpose or subject to the Companies Law, out of capital of the Company. The amount of premium payable on repurchase of Shares may only be paid out of either the profits or out of the share premium of the Company or subject to the Companies Law, out of capital of the Company.

In addition, under the laws of the Cayman Islands, payment out of capital by a company for the purchase by a company of its own shares is unlawful unless immediately following the date on which the payment is proposed to be made, the Company shall be able to pay its debts as they fall due in the ordinary course of business. In accordance with the laws of the Cayman Islands, the Shares so repurchased would be treated as cancelled but the aggregate amount of authorised share capital would not be reduced.

There might be an adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited consolidated accounts contained in the Annual Report for the year ended 31 December 2011 in the event that the proposed share repurchases were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate 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. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS**

None of the Directors nor, to the best of their knowledge and belief having made all reasonable enquiries, any of their associates, has any present intention to sell any Shares to the Company in the event that the Repurchase Mandate is granted by the Shareholders.

No connected person of the Company (as defined in the Listing Rules) has notified the Company that he/she/it has a present intention to sell Shares to the Company nor has he/she/it undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Repurchase Mandate is granted by the Shareholders.

#### **5. UNDERTAKING OF THE DIRECTORS**

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

#### **6. 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 purpose 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. Hui Ka Yan and his associates were interested in approximately 67.84% of the issued share capital of the Company. In the event that the Directors exercise in full the power to repurchase Shares pursuant to the Repurchase Mandate, the aggregate percentage shareholdings of Mr. Hui Ka Yan and his associates would increase to approximately 75.4%. Accordingly, such increases would not trigger any mandatory offer obligation under Rules 26 of the Takeovers Code.

The Directors do not intend to repurchase Shares to the extent that the Company cannot satisfy its minimum requirement for public float.

#### **7. SHARE REPURCHASES 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.

**8. SHARE PRICES**

During each of the previous 12 months up to the Latest Practicable Date, the highest and lowest traded prices for Shares on the Stock Exchange were as follows:

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2011</b>		
April	5.82	4.34
May	5.90	5.01
June	5.45	4.20
July	6.27	5.07
August	6.03	4.17
September	5.05	2.35
October	3.85	2.13
November	3.81	2.75
December	3.53	2.81
<b>2012</b>		
January	4.08	2.96
February	5.03	3.61
March	4.83	4.03
April (up to the Latest Practicable Date)	4.74	4.13

*The biographical details of the Directors proposed to be re-elected at the Annual General Meeting are set out as follows:*

**Li Gang (李鋼)**, age 48, our vice chairman of the Board, executive vice president and executive Director of the Group. Mr. Li has more than 17 years of experience in property development, operation and management. Mr. Li is primarily responsible for our business management, financial management, financial audit management, various monitoring and filing management, legal affairs management, fund raising and financing management etc. He joined us in April 2003 and was elected an executive Director on 6 March 2008.

Saved as disclosed herein, Mr. Li held no other directorships in any listed public companies in the last three years. Mr. Li does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Li is interested in 50,000,000 options to subscribe for Shares in the Company, representing approximately 0.34% of the issued share capital of the Company. Save as disclosed, Mr. Li does not have any other interests in the securities of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Li has entered into a service contract with the Company subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. Mr. Li is receiving a Director's fee of RMB240,000 per annum, the emoluments specified in the service agreement appointing Mr. Li as the vice chairman and executive vice president is HK\$6,960,000 per annum, which was determined by reference to his duties and responsibilities with the Company, and he will also be entitled to a discretionary bonus as determined by the Company.

**Tse Wai Wah (謝惠華)**, age 45, our executive Director and chief financial officer. Mr. Tse joined us in December 2008 and was elected an executive Director on 14 October 2009. Mr. Tse is primarily responsible for financial management and operational management. Mr. Tse has over 18 years of experience in auditing, accounting and finance. Mr. Tse graduated from the University of North Carolina at Charlotte with a Master of Business Administration degree. Currently he is a member of the Hong Kong Institute of Certified Public Accountants and the American Institute of Certified Public Accountants.

Saved as disclosed herein, Mr. Tse held no other directorships in any listed public companies in the last three years. Mr. Tse does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Tse is interested in 15,000,000 options to subscribe for Shares in the Company, representing approximately 0.10% of the issued share capital of the Company and RMB1,500,000 debenture issued by the Company (out of the total amount of debenture in issued in the same class which was RMB3,700,000,000); such debenture was bought off the exchange. Save as disclosed, Mr. Tse does not have any other interests in the securities of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Tse has entered into a service contract with the Company subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. Mr. Tse is receiving a Director's fee of RMB240,000 per annum, the emoluments specified in the service agreement appointing Mr. Tse as the chief financial officer and vice president is HK\$3,900,000 per annum, which was determined by reference to his duties and responsibilities with the Company, and he will also be entitled to a discretionary bonus as determined by the Company.

**Xu Xiangwu (徐湘武)**, age 47, our executive Director and vice president. Mr. Xu is also the general manager of our management center. Mr. Xu was elected an executive Director on 14 October 2009. He graduated from East China Jiaotong University with major in civil engineering in 1985 and obtained a master degree in structural engineering from the Central South University in 1989. He is solely responsible for our engineering construction system.

Saved as disclosed herein, Mr. Xu held no other directorships in any listed public companies in the last three years. Mr. Xu does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Tse is interested in 15,000,000 options to subscribe for Shares in the Company, representing approximately 0.11% of the issued share capital of the Company. Save as disclosed, Mr. Xu does not have any other interests in the securities of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Xu has entered into a service contract with the Company subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. Mr. Xu is receiving a Director's fee of RMB240,000 per annum, the emoluments specified in the service agreement appointing Mr. Xu as the vice president is RMB2,160,000, which was determined by reference to his duties and responsibilities with the Company, and he will also be entitled to a discretionary bonus as determined by the Company.

**Xu Wen (徐文)**, age 48, our executive Director and vice president. Mr. Xu was elected an executive Director on 14 October 2009. Mr. Xu has over 18 years of experience in project management, construction research and design, and is the chairman of the board of directors of Guangzhou Evergrande Materials and Equipment Company Limited. Mr. Xu obtained a bachelor's degree in civil construction in 1985 and is a registered structural engineer and a qualified supervising engineer in China.

Saved as disclosed herein, Mr. Xu held no other directorships in any listed public companies in the last three years. Mr. Xu does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, Mr. Xu is interested in 17,000,000 options to subscribe for Shares in the Company, representing approximately 0.11% of the issued share capital of the Company. Save as disclosed, Mr. Xu does not have any other interests in the securities of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Mr. Xu has entered into a service contract with the Company subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association. Mr. Xu is receiving a Director's fee of RMB240,000 per annum, the emoluments specified in the service agreement appointing Mr. Xu as the vice president is RMB2,520,000 for his directorship in the Company, which was determined by reference to his duties and responsibilities with the Company, and he will also be entitled to a discretionary bonus as determined by the Company.

Save as disclosed herein, there is no information that is required to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters in relation to the re-election of the above Directors that need to be brought to the attention of the shareholders of the Company.

NOTICE OF ANNUAL GENERAL MEETING



恒大地產集團®

EVERGRANDE REAL ESTATE GROUP

Evergrande Real Estate Group Limited

恒大地產集團有限公司

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 3333)

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of Evergrande Real Estate Group Limited (the “**Company**”) will be held at 3:00 p.m. on Thursday, 31 May 2012 at the Ballroom, JW Marriott Hotel Hong Kong, Pacific Place, Admiralty, Hong Kong for the following purposes:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited consolidated financial statements and the reports of the directors of the Company (the “**Directors**”) and the auditors of the Company (the “**Auditors**”) for the year ended 31 December 2011;
2. To declare a final dividend of RMB0.19 per share for the year ended 31 December 2011;
3. To re-elect the following Directors:
  - (a) Mr. Li Gang as executive Director;
  - (b) Mr. Tse Wai Wah as executive Director;
  - (c) Mr. Xu Xiangwu as executive Director; and
  - (d) Mr. Xu Wen as executive Director.
4. To authorise the board of Directors to fix the Directors’ remuneration;
5. To re-appoint PricewaterhouseCoopers as the auditors of the Company and authorise the board of Directors to fix their remuneration;

## NOTICE OF ANNUAL GENERAL MEETING

### SPECIAL BUSINESS

6. To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“**THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) 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 powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall be in addition to any other authorisation given to the Directors and shall authorise the Directors during the Relevant Period to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers 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 pursuant to the approval in paragraph (a), otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) the share option scheme of the Company approved by The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”); or (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company, shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution, and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date upon which the authority set out in this resolution is revoked or varied by way of ordinary resolution of the Company in general meeting; and

“**Rights Issue**” means an offer of shares open for a period fixed by the Directors to holders of ordinary 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 may deem necessary or

## NOTICE OF ANNUAL GENERAL MEETING

expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any regulatory body or any stock exchange in, any territory outside Hong Kong).”;

7. To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

**“THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to purchase issued shares in the capital of the Company, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to purchase its shares at a price determined by the Directors;
- (c) the aggregate nominal amount of shares of the Company which are authorised to be purchased by the Directors pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution, and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by way of ordinary resolution of the Company in general meeting.”; and

## NOTICE OF ANNUAL GENERAL MEETING

8. To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“**THAT** conditional upon the passing of resolutions nos. 6 and 7 above, the general mandate to the Directors pursuant to resolution no. 6 be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of share capital of the Company purchased by the Company under the authority granted pursuant to the resolution no. 7, provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution.”

By Order of the Board  
**Hui Ka Yan**  
Chairman

Hong Kong, 30 April 2012

*Notes:*

1. A member entitled to attend and vote at the above meeting may appoint one or, if he holds two or more shares, more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
2. Where there are joint holders of any share, any one of such joint holder may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at the 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, and 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.
3. In order to be valid, a form of proxy together with the power of attorney (if any) or other authority (if any) under which it is signed or a certified copy thereof shall be deposited at 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 not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. The proxy form will be published on the website of the Stock Exchange.
4. The register of members of the Company will be closed from 29 May 2012 to 31 May 2012 (both days inclusive) during which period no transfer of shares will be registered. In order to qualify for the entitlement to attend and vote at the forthcoming Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with 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 for registration not later than 4:30 p.m. on 28 May 2012.

*As at the date of this announcement, the executive directors are Mr. Hui Ka Yan, Mr. Xia Haijun, Mr. Li Gang, Mr. Tse Wai Wah, Mr. Xu Xiangwu, Mr. Xu Wen, Mr. Lai Lixin and Ms. He Miaoling, and the independent non-executive directors are Mr. Yu Kam Kee, Lawrence, Mr. Chau Shing Yim, David and Mr. He Qi.*