

**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 stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in Minth Group Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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**MINTH**  
**敏實集團**  
**MINTH GROUP LIMITED**  
**敏實集團有限公司**  
*(incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 425)**

**PROPOSED GRANT OF GENERAL MANDATE  
TO ISSUE AND REPURCHASE SHARES  
AND  
PROPOSED RE-ELECTION OF RETIRING DIRECTORS  
AND  
PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of Minth Group Limited to be held at 10:00 a.m. at 20th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong on Tuesday, 22 May 2012 is set out on pages 30 to 35 of this circular.

Whether or not you are able to attend the annual general meeting, 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 not later than 48 hours before the time of the annual general meeting to the Hong Kong branch share registrar of Minth Group Limited, 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 in person at the annual general meeting or any adjournment thereof should you so wish.

20 April 2012

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## DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at 10:00 a.m. at 20th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong on Tuesday, 22 May 2012, the notice of which is set out on pages 30 to 35 of this circular, and any adjournment thereof
“Articles”	the articles of association of the Company adopted pursuant to a written resolution passed by the Shareholders on 13 November 2005 and as amended on 8 May 2006
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (excluding a Saturday and Sunday) on which licensed banks are generally open for business in Hong Kong
“Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	Minth Group Limited 敏實集團有限公司, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Date of Grant”	in respect of an Option and unless otherwise specified in the letter of grant, the Business Day on which the Board resolves to make an Offer to a Participant, whether or not the Offer is subject to Shareholders’ approval on the terms of the New Share Option Scheme
“Director(s)”	director(s) of the Company
“Existing Share Option Scheme”	the share option scheme of the Company adopted on 13 November 2005

## DEFINITIONS

“Extension Mandate”	a general and unconditional mandate proposed to be granted to the Directors to the effect that the total number of Shares which may be allotted and issued under the Issue Mandate may be increased by an additional number representing such number of Shares actually repurchased under the Repurchase Mandate
“Grantee”	any Participant who accepts an Offer in accordance with the terms of the New Share Option Scheme, or (where the context so permits) any person who is entitled to any such Option in consequence of the death of the original Grantee, or the legal personal representative of such person
“Group”	the Company and its subsidiaries
“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 proposed to be granted to the Directors to exercise the power of the Company to allot, issue or otherwise deal with new Shares up to a maximum of 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing the relevant resolution at the Annual General Meeting
“Latest Practicable Date”	13 April 2012, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Share Option Scheme”	the new share option scheme which is proposed to be adopted by the Company at the Annual General Meeting, the principal terms of which are set out in Appendix III to this circular, and as amended from time to time
“Offer”	the offer of the grant of an Option under the New Share Option Scheme

## DEFINITIONS

“Option”	an option to subscribe for Shares pursuant to the New Share Option Scheme and for the time being subsisting
“Option Period”	in respect of any particular Option, the period to be determined and notified by the Board to the Grantee at the time of making an Offer which shall not expire later than 10 years from the Date of Grant
“Participants”	Directors (including executive Directors, non-executive Directors and independent non-executive Directors) and employees of the Group and any advisors, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters, service providers of any member of the Group who the Board considers, in its sole discretion, have contributed or will contribute to the Group
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to enable them to repurchase the Shares on the Stock Exchange the aggregate nominal amount of which shall not exceed 10% of the aggregate nominal amount of the share capital in issue as at the date of passing the relevant resolution at the Annual General Meeting
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option under the New Share Option Scheme
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers issued by the Securities and Futures Commission and as amended from time to time
“%”	per cent.



**MINTH GROUP LIMITED**

**敏實集團有限公司**

*(incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 425)**

*Executive Directors:*

Chin Jong Hwa  
Shi Jian Hui  
Zhao Feng  
Kawaguchi Kiyoshi

*Non-executive Directors:*

Yu Zheng  
He Dong Han  
Mu Wei Zhong

*Independent Non-executive Directors:*

Wang Ching  
Zhang Liren  
Wu Fred Fong

*Registered office:*

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

*Principal place of business*

*in Hong Kong:*  
7/F, Allied Kajima Building  
138 Gloucester Road  
Hong Kong

20 April 2012

*To the Shareholders*

Dear Sir or Madam,

**PROPOSED GRANT OF GENERAL MANDATE  
TO ISSUE AND REPURCHASE SHARES  
AND  
PROPOSED RE-ELECTION OF RETIRING DIRECTORS  
AND  
PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME  
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

## LETTER FROM THE BOARD

include ordinary resolutions relating to the grant of the Repurchase Mandate, the Issue Mandate and the Extension Mandate, the re-election of retiring Directors, the adoption of New Share Option Scheme and the termination of the Existing Share Option Scheme.

### PROPOSED GENERAL MANDATE TO ISSUE SHARES

At the last annual general meeting of the Company held on 18 May 2011, the Directors were given a general mandate to issue Shares. The mandate will expire at the conclusion of the Annual General Meeting.

At the Annual General Meeting, an ordinary resolution will be proposed that the Directors be granted the Issue Mandate, i.e. a general and unconditional mandate to allot, issue and deal with new Shares up to 20% of the aggregate nominal share capital of the Company in issue as at the date of passing of the relevant resolution. As at the Latest Practicable Date, a total of 1,077,007,000 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 215,401,400 Shares.

As at the Latest Practicable Date, the Listing Rules provide that, unless the Stock Exchange agrees otherwise, in the event the Issue Mandate is exercised and Shares are placed for cash consideration under the Issue Mandate, the issue price of the Shares may not be at a price which represents a discount of 20% or more to the benchmarked price of the Shares, such benchmarked price being the higher of:

- (i) the closing price of the Shares as quoted on the Stock Exchange on the date of the relevant placing agreement or other agreement involving the proposed issue of securities under the Issue Mandate; and
- (ii) the average closing price of the Shares as quoted on the Stock Exchange in the 5 trading days immediately prior to the earlier of:
  - (a) the date of announcement of the placing or the proposed transaction or arrangement involving the proposed issue of Shares under the Issue Mandate;
  - (b) the date of the placing agreement or other agreement involving the proposed issue of Shares under the Issue Mandate; and
  - (c) the date on which the placing or subscription price is fixed.

In terms of the price at which Shares may be issued at time of exercise of the Issue Mandate, the Company will comply with the then prevailing requirements under the Listing Rules.

## LETTER FROM THE BOARD

### **PROPOSED REPURCHASE MANDATE AND EXTENSION MANDATE**

The general mandate granted to the Directors at the last annual general meeting of the Company to repurchase Shares will also expire at the conclusion of the Annual General Meeting.

At the Annual General Meeting, an ordinary resolution will also be proposed to grant 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 nominal share capital of the Company in issue as at the date of passing of the relevant resolution. In addition, an ordinary resolution regarding the Extension Mandate will be proposed at the Annual General Meeting to authorise the increase in the total number of new Shares which may be allotted and issued under the Issue Mandate by an additional number representing such number of Shares actually repurchased under the Repurchase Mandate.

The Repurchase Mandate and the Issue Mandate would expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company; or (b) the expiration 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 its 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.

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

As at the Latest Practicable Date, Mr. Chin Jong Hwa, Mr. Shi Jian Hui, Mr. Zhao Feng and Mr. Kawaguchi Kiyoshi were the executive Directors, Ms. Yu Zheng, Mr. He Dong Han and Mr. Mu Wei Zhong were the non-executive Directors and Dr. Wang Ching, Mr. Zhang Liren and Mr. Wu Fred Fong were the independent non-executive Directors.

Particulars of the retiring Directors, namely Mr. Mu Wei Zhong, Dr. Wang Ching, Mr. Zhang Liren and Mr. Wu Fred Fong, who are proposed to be re-elected at the Annual General Meeting pursuant to Article 87 of the Articles are set forth in Appendix II to this circular.

### **TERMS OF DIRECTORS' SERVICE CONTRACTS**

Details of the service contracts of each of Mr. Mu Wei Zhong, being the non-executive Director, Dr. Wang Ching, Mr. Zhang Liren and Mr. Wu Fred Fong, being the independent non-executive Directors who proposes to continue as Directors after the Annual General Meeting are set out in Appendix II of this circular.

## LETTER FROM THE BOARD

### PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME

The Company adopted the Existing Share Option Scheme on 13 November 2005, pursuant to which the Directors were authorised to grant options to subscribe for Shares to any director or employee of the Company or its subsidiaries during the ten-year period from 13 November 2005. The Board proposes to adopt the New Share Option Scheme and comply with the Listing Rules in advance and terminate the Existing Share Option Scheme effective from the date of adoption of the New Share Option Scheme.

As at the Latest Practicable Date,

- (i) the Company had not adopted any other share option scheme other than the Existing Share Option Scheme;
- (ii) the options granted under the Existing Share Option Scheme are set out below. Those options which are outstanding immediately prior to the termination of the Existing Share Option Scheme will remain capable of being exercised. Save as disclosed below, there were no other outstanding options, warrants or convertible securities to subscribe for Shares; and

<b>No. of Shares subject to options granted under the Existing Share Option Scheme</b>	<b>No. of Shares over which options have been granted under the Existing Share Option Scheme and exercised</b>	<b>No. of Shares over which options have been granted under the Existing Share Option Scheme but not yet exercised</b>
80,600,000	25,507,000	48,298,000

- (iii) the remaining Shares which may be the subject of options to be granted under the Existing Share Option Scheme prior to the New Share Option Scheme coming into effect is 9,195,000 Shares.

The Board confirms that it has no intention in granting any share options under the Existing Share Option Scheme from the Latest Practicable Date until and including the date of the Annual General Meeting.

The adoption of the New Share Option Scheme is conditional upon:

- (i) the Shareholders approving the New Share Option Scheme and the termination of the Existing Share Option Scheme at the Annual General Meeting; and

## LETTER FROM THE BOARD

- (ii) the Stock Exchange granting approval of the listing of and permission to deal in the Shares to be issued and allotted pursuant to the exercise of the Options granted under the New Share Option Scheme up to 10% of the total number of Shares in issue as at 22 May 2012.

Application will be made to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Shares which may be issued upon the exercise of the Options granted under the New Share Option Scheme representing up to 10% of the total number of Shares in issue as at 22 May 2012.

The Directors consider that the New Share Option Scheme, which will be valid for 10 years from the date of its adoption, will continue to provide the Group with a mechanism to reward Participants who have contributed or will contribute to the Group and to encourage Participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole.

The Board believes that the authority given to the Board under the New Share Option Scheme to specify any minimum holdings period and/or performance targets as conditions in any Option granted and the requirement for a minimum Subscription Price as well as the authority to select the appropriate Participants as prescribed by the rules of the New Share Option Scheme will serve to protect the interests of the Company by retaining and motivating high caliber talents.

The Directors consider that it is not appropriate to value the Options that can be granted under the New Share Option Scheme on the assumption that they had been granted at the Latest Practicable Date, as various determining factors (such as the subscription price of such Options, the timing of granting of such Options, exercise period and performance targets which the Directors may set under the New Share Option Scheme) for the calculation of such value cannot be reasonably fixed at this stage. It would not be meaningful and to certain extent would be misleading to the Shareholders if the value of the Options is calculated based on a set of speculated assumptions.

In relation to the New Share Option Scheme, on the basis of 1,077,007,000 Shares in issue as at the Latest Practicable Date and assuming that no further Shares are allotted, issued or repurchased by the Company prior to the Annual General Meeting and assuming no further refreshment of scheme mandate limit going forward, the maximum number of Shares to be issued upon the exercise of Options that may be granted under the New Share Option Scheme and any other schemes of the Company will be 107,700,700 Shares.

A summary of the principal terms of the New Share Option Scheme is set out in Appendix III to this circular. The full terms of the New Share Option Scheme can be inspected at 20th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong from the date of this circular to and including the date of the Annual General Meeting and at the Annual General Meeting.

## LETTER FROM THE BOARD

At the Annual General Meeting, an ordinary resolution will be proposed to approve the adoption of the New Share Option Scheme, terminate the Existing Share Option Scheme and authorise the Directors to grant Options thereunder and to allot and issue Shares pursuant to the New Share Option Scheme.

None of the Directors is a trustee of the New Share Option Scheme or has any direct or indirect interest in such trustee, if any.

### ANNUAL GENERAL MEETING

At the Annual General Meeting, ordinary resolutions will be proposed to approve, among other matters, the following:

- (a) the grant of the Issue Mandate;
- (b) the grant of the Repurchase Mandate;
- (c) the grant of the Extension Mandate;
- (d) the re-election of retiring Directors;
- (e) the adoption of the New Share Option Scheme; and
- (f) the termination of the Existing Share Option Scheme.

Set out on pages 30 to 35 to this circular is the notice convening the Annual General Meeting. A form of proxy for use by the Shareholders in respect of the Annual General Meeting is also enclosed. Whether or not the Shareholders are able to attend the Annual General Meeting, they are requested to complete the enclosed form of proxy and return it to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 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 holding the Annual General Meeting. Completion and return of the form of proxy will not preclude the Shareholders from attending and voting in person at the Annual General Meeting should they wish to do so.

Pursuant to the Listing Rules, voting by poll is mandatory at all general meetings save for purely procedural or administrative matters. The chairman of the Annual General Meeting will request for voting by poll on all the proposed resolutions set out in the notice of the Annual General Meeting. As at the Latest Practicable Date, to the extent that the Company is aware having made all reasonable enquires, no Shareholder has to abstain from voting on any of the proposed resolutions. The results of the poll will be published on the websites of the Company and the Stock Exchange on the day of the Annual General Meeting.

## LETTER FROM THE BOARD

### CLOSURE OF REGISTER OF MEMBERS

Shareholders whose names appear on the Company's register of members on Tuesday, 22 May 2012, will be eligible to attend and vote at the Annual General Meeting. The transfer books and register of members will be closed from Friday, 18 May 2012 to Tuesday, 22 May 2012, both days inclusive, during which period no transfer of Shares will be effected. In order to determine the identity of Shareholders who are entitled to attend and vote at the Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Thursday, 17 May 2012.

Shareholders whose names appear on the Company's register of members on Wednesday, 30 May 2012, will qualify for the proposed final dividend. The Company's transfer books and register of members will be closed from Monday, 28 May 2012 to Wednesday, 30 May 2012 (both days inclusive) for the purpose of ascertaining Shareholders' entitlement to the proposed final dividend. In order to qualify for the proposed final dividend, all transfer forms accompanied by the relevant Share certificates must be lodged with the Company's branch share registrar and transfer office in Computershare Hong Kong Investor Services Limited located at Shop 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by 4:30 p.m. on Friday, 25 May 2012. The proposed final dividend (the payment of which is subject to the Shareholders' approval at the AGM) is to be payable on or about 12 June 2012 to Shareholders whose name appear on the register of members of the Company on Wednesday, 30 May 2012. The Shares will trade ex-dividend on Thursday, 24 May 2012.

### RECOMMENDATION

The Directors believe that the proposed grant of the Issue Mandate, the Repurchase Mandate, the Extension Mandate, the re-election of the retiring Directors, the adoption of the New Share Option Scheme and the termination of the Existing Share Option Scheme are in the interest of 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/or gearing position of the Company compared with that as at 31 December 2011, 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 of the Company.

## LETTER FROM THE BOARD

Accordingly, the Directors recommend Shareholders to vote in favour of the ordinary resolutions for approving the grant of the Issue Mandate, the Repurchase Mandate, the Extension Mandate, the re-election of the retiring Directors, the adoption of New Share Option Scheme and the termination of the Existing Share Option Scheme at the Annual General Meeting.

### GENERAL

Your attention is also drawn to the additional information set out in Appendix I (Explanatory statement), Appendix II (Particulars of Directors subject to re-election and Directors' service contracts) and Appendix III (Summary of the principal terms of the New Share Option Scheme) to this circular.

This document, 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 herein or this circular misleading.

Yours faithfully  
For and on behalf of the Board  
**Minth Group Limited**  
**Chin Jong Hwa**  
*Chairman*

Hong Kong, 20 April 2012

This Appendix I serves as an explanatory statement, as required by Rule 10.06(1)(b) of the Listing Rules, to provide requisite information as to the proposed 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 repurchase 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 1,077,007,000 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 after the Latest Practicable Date and prior to the Annual General Meeting, the Company will be allowed under Repurchase Mandate to repurchase a maximum of 107,700,700 Shares, which represents 10% of the entire issued share capital of the Company as at the Latest Practicable Date.

### **3. REASONS FOR THE REPURCHASE**

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 repurchase will benefit the Company and the Shareholders.

### **4. FUNDING OF REPURCHASES**

In repurchasing the Company's securities, the Company may only apply 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.

Taking into account the current working capital position of the Company, the Directors consider that, if the Repurchase Mandate were to be exercised in full, it may have a material adverse effect on the working capital and/or the gearing position of the Company as compared with the position as at 31 December 2011, 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 for the Shares having traded on the Stock Exchange in each of the previous twelve calendar months immediately preceding the Latest Practicable Date are as follows:

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
April 2011	13.40	11.84
May 2011	12.22	10.28
June 2011	12.90	10.12
July 2011	13.44	12.00
August 2011	14.56	8.02
September 2011	10.00	7.12
October 2011	9.00	6.03
November 2011	9.06	6.70
December 2011	8.08	6.57
January 2012	9.13	7.31
February 2012	9.89	8.05
March 2012	9.61	8.52
April 2012 (up to the Latest Practicable Date)	9.40	8.60

## 6. THE TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING

If a Shareholder's proportionate interest in the voting rights of the Company increases as a result of the Company exercising its powers to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes 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, according to the register kept by the Company pursuant to section 336 of the SFO and so far as is known to, or can be ascertained after reasonable enquiry by the Directors, the following persons were the beneficial owners of 5% or more of the issued capital of the Company:

Name	Long/short position/ lending pool	Number of Shares	Percentage of the Company's issued Share capital	Approximately percentage of shareholding if the Repurchase Mandate is exercised in full
Linkfair Investments Limited	Long position	436,664,000	40.54%	45.05%
Chin Jong Hwa	Long position	436,664,000	40.54%	45.05%
Wei Ching Lien	Long position	436,664,000	40.54%	45.05%
The Capital Group Companies, Inc.	Long position	86,706,000	8.05%	8.95%
Commonwealth Bank of Australia	Long position	80,296,000	7.46%	8.28%
JPMorgan Chase & Co.	Long position Lending pool	71,516,000 55,240,000	6.64% 5.13%	7.38% 5.70%
Capital Research and Management Company	Long position	64,822,000	6.02%	6.69%

Based on the above shareholding interests of Linkfair Investments Limited, Chin Jong Hwa and Wei Ching Lien and in the event that the Repurchase Mandate is exercised in full by the Company and assuming that Linkfair Investments Limited, Chin Jong Hwa and Wei Ching Lien do not dispose of any of their Shares, their percentage shareholding in the Company will each be increased to approximately 45.05% of the total issued share capital of the Company. Accordingly under Rule 26 of the Takeovers Code, an obligation to make a general offer to Shareholders will arise as a result of an exercise of the Repurchase Mandate in full. The Directors have no present intention to repurchase Shares to such an extent as would result in takeover obligations or the number of Shares in the hands of public falling below the prescribed minimum percentage of 25%.

**7. SHARE PURCHASE MADE BY THE COMPANY**

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

**8. GENERAL**

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates have any present intention to sell any Shares to the Company if the Repurchase Mandate is approved by the Shareholders.

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

No connected person of the Company has notified the Company that he has a present intention to sell any Shares to the Company nor has any such connected person undertaken not to sell any Shares held by him to the Company in the event that the Repurchase Mandate is granted.

**PARTICULARS OF DIRECTORS SUBJECT TO RE-ELECTION AT THE ANNUAL GENERAL MEETING**

The particulars of Directors who are subject to re-election at the Annual General Meeting and which are required to be disclosed by the Listing Rules are set out below:

**(1) Mu Wei Zhong – Non-executive Director**

Mu Wei Zhong (穆偉忠) (“Mr. Mu”), aged 46, a non-executive Director. Mr. Mu has experience of over 20 years in engineering. Before joining one of Mr. Chin’s companies in 1993, Mr. Mu worked at Zhejiang Shipyard as an assistant engineer. Prior to his current position, Mr. Mu was in charge of the Group’s overseas business and operations and before that served in various members of the Group as member of the production management team, sales manager, deputy manager, financial controller, general manager and Chief Operating Officer successively. Mr. Mu graduated from Wuhan University of Water Transportation Engineering with a bachelor’s degree in Vessel Design and Manufacture. He obtained an EMBA degree from the School of Management, Fudan University in 2007. Mr. Mu joined the Group in March 1997 and was appointed as a Director on 14 July 2005.

The Company has appointed Mr. Mu as a non-executive Director for a term from 21 March 2012 to 20 March 2013. Pursuant to the terms of his appointment letter, the service fee of Mr. Mu is RMB60,000 per annum. In addition, he is entitled to a discretionary bonus to be determined by the Board (or its duly appointed remuneration committee). His emoluments are determined by the Board by reference to the prevailing market practice, the Company’s remuneration policy, his duties and responsibilities within the Group and his contribution to the Group.

Other than the relationship arising from his directorship with the Company, Mr. Mu is independent from and not related to any other Directors, senior management, substantial shareholders or controlling shareholders of the Company. Save for his interest in 112,000 Shares and 1,600,000 share options in the Company, Mr. Mu has no interests in the shares of the Company within the meaning of Part XV of the SFO as at the Latest Practicable Date. Mr. Mu has not held any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years. There is no other information which is required to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules nor are there any matters which need to be brought to the attention of the Shareholders in respect of his proposed re-election as a non-executive Director of the Company.

**(2) Wang Ching – Independent Non-executive Director**

Wang Ching (王京) (“Dr. Wang”), aged 57, is an independent non-executive Director and the chairman of the nomination committee of the Company. Dr. Wang has over 20 years’ managerial experience in investment banking, securities, treasury and asset management in the United States, Hong Kong, Taiwan and the PRC. He is currently the managing director of Shanghai International Asset Management (HK) Co. Ltd., a licensed corporation registered with Honk Kong Securities and Futures Commission. He is also the executive director of Shanghai International Shanghai Growth Investment Limited, an investment fund company listed on The Stock Exchange of Hong Kong Limited (“Stock Exchange”). Dr. Wang is also an independent nonexecutive director of China Singyes Solar Technologies Holdings Limited and Yingde Gases Group Company Limited, both of which are listed on the Stock Exchange. Besides, Dr. Wang also serves as an adjunct Associate Professor of Global Management Education Institute, Shanghai University. Dr. Wang received his doctorate degree from the Graduate School of Business, Columbia University in 1992. Dr. Wang joined the Group as an independent non-executive director on 26 October 2005.

Dr. Wang entered into a service contract with the Company on 18 May 2011 renewing his terms of appointment acting as an independent non-executive Director for a term commencing from 18 May 2011 and expiring on the date of the Annual General Meeting. It is proposed that, subject to the Shareholders’ approval at the Annual General Meeting, the Company enters a service contract with Dr. Wang to renew his appointment for a term commencing from the date of the Annual General Meeting and expiring on the date of the annual general meeting to be held by the Company in 2013, which is expected to be held no later than 31 May 2013. Such service contract can be terminated by not less than three months’ notice in writing served by either party to the other. Pursuant to the terms of the service contract, the annual service fee of Dr. Wang is HK\$150,000, but he is not entitled to any discretionary bonus. Dr. Wang’s emoluments are determined by the Board by reference to the prevailing market rates, the Company’s remuneration policy, his duties and responsibility within the Group and his contribution to the Group.

Save as disclosed herein, Dr. Wang has not held any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years. Other than the relationship arising from his directorship with the Company, Dr. Wang is independent from and not related to any other Directors, senior management, substantial shareholders or controlling shareholders (which have the meaning ascribed to them respectively under the Listing Rules) of the Company. As at the Latest Practicable Date, Dr. Wang has no interests in the Shares of the Company within the meaning of Part XV of the SFO. Save as disclosed above, there is no other information which is required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules nor are there any matters which need to be brought to the attention of the Shareholders in connection with Dr. Wang’s proposed re-election as an independent non-executive Director of the Company.

**(3) Mr. Zhang Liren – Independent Non-executive Director**

Zhang Liren (張立人) (“Mr. Zhang”), aged 65, is an independent non-executive Director and the chairman of the remuneration committee of the Company. Mr. Zhang has experience of over 40 years in the automobile, electronic and mechanical industry. He is the executive director of the S-car, L-car & V-car platforms of Shanghai General Motors Corporation Limited (“SGM”). He is also the chief engineer of Pan Asia Auto Technology Centre. Prior to his current position, he was a special consultant to president of SGM, the director of Business Planning Development Department and the senior manager of the Quality Control Department in SGM. He was also the deputy chief engineer of Shanghai Auto Industry Technology Centre and a research officer in the Computer and Equipment Department in Shanghai Auto Research Institute. Mr. Zhang joined the Group as an independent non-executive Director on 26 October 2005.

Mr. Zhang entered into a service contract with the Company on 18 May 2011 renewing his terms of appointment acting as an independent non-executive Director for a term commencing from 18 May 2011 and expiring on the date of the Annual General Meeting. It is proposed that, subject to the Shareholders’ approval at the Annual General Meeting, the Company enters a service contract with Mr. Zhang to renew his appointment for a term commencing from the date of the Annual General Meeting and expiring on the date of the annual general meeting to be held by the Company in 2013, which is expected to be held no later than 31 May 2013. Such service contract can be terminated by not less than three months’ notice in writing served by either party to the other. Pursuant to the terms of the service contract, the annual service fee of Mr. Zhang is HK\$150,000, but he is not entitled to any discretionary bonus. Mr. Zhang’s emoluments are determined by the Board by reference to the prevailing market rates, the Company’s remuneration policy, his duties and responsibility within the Group and his contribution to the Group.

Mr. Zhang has not held any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years. Other than the relationship arising from his directorship with the Company, Mr. Zhang is independent from and does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders (which have the meaning ascribed to them respectively under the Listing Rules) of the Company. As at the Latest Practicable Date, Mr. Zhang has no interests in the Shares of the Company within the meaning of Part XV of the SFO. Save as disclosed above, there is no information relating to Mr. Zhang which is required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules nor are there any matters which need to be brought to the attention of the Shareholders in connection with Mr. Zhang’s proposed re-election as an independent non-executive Director of the Company.

**(4) Wu Fred Fong – Independent Non-executive Director**

Wu Fred Fong (胡晃) (“Mr. Wu”), aged 64, has been an independent non-executive Director and the chairman of the audit committee of the Company since 1 January 2009. Mr. Wu has considerable experience in auditing, corporate planning, corporate finance, investment, consulting and administration with public companies in Canada and Hong Kong. Mr. Wu holds a master’s degree in Business Administration in the Schulich School of Business, York University, Canada. Mr. Wu is a Chartered Accountant qualified in Canada and a fellow member of the Hong Kong Institute of Certified Public Accountants. Mr. Wu was an executive Director of VODone Limited, a company listed on the Stock Exchange, for eight years. Currently, Mr. Wu is the chief financial officer of Heng Xin China Holdings Limited and an independent non-executive director of China Public Procurement Limited, both of which are listed on the Stock Exchange.

Mr. Wu entered into a service contract with the Company on 18 May 2011 renewing his terms of appointment acting as an independent non-executive Director for a term commencing from 18 May 2011 and expiring on the date of the Annual General Meeting. It is proposed that, subject to the Shareholders’ approval at the Annual General Meeting, the Company enters a service contract with Mr. Wu to renew his appointment for a term commencing from the date of the Annual General Meeting and expiring on the date of the annual general meeting to be held by the Company in 2013, which is expected to be held no later than 31 May 2013. Such service contract can be terminated by not less than three months’ notice in writing served by either party to the other. Pursuant to the terms of the service contract, the annual service fee of Mr. Wu is HK\$150,000, but he is not entitled to any discretionary bonus. Mr. Wu’s emoluments are determined by the Board by reference to the prevailing market rates, the Company’s remuneration policy, his duties and responsibility within the Group and his contribution to the Group.

Save as disclosed herein, Mr. Wu has not held any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years. Other than the relationship arising from his directorship with the Company, Mr. Wu is independent from and does not have any relationship with any other Directors, senior management, substantial shareholders, controlling shareholders (which have the meanings ascribed to them respectively under the Listing Rules) of the Company. As at the Latest Practicable Date, Mr. Wu has no interests in the Shares of the Company within the meaning of Part XV of the SFO. Save as disclosed above, there is no other information relating to Mr. Wu which is required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules nor are there any matters which need to be brought to the attention of the Shareholders in connection with Mr. Wu’s proposed re-election as an independent non-executive Director of the Company.

**SERVICE CONTRACT OF DIRECTORS**

Subject to Shareholders' approval at the Annual General Meeting, the Company will enter into service contracts with each of the (i) executive Director, namely, Mr. Zhao Feng; (ii) non-executive Directors, namely, Ms. Yu Zheng and Mr. He Dong Han and (iii) independent non-executive Directors, namely, Dr. Wang Ching, Mr. Zhang Liren and Mr. Wu Fred Fong, to renew or fix (as the case may be) the terms of their appointments as their service contracts will expire on the date of the Annual General Meeting. The service term of the Directors will be from the Annual General Meeting to the date of the annual general meeting to be held in 2013, which is expected to be no later than 31 May 2013. Further, the Company has also entered into a service contract dated 20 March 2012 with Mr. Mu Wei Zhong relating to his redesignation to a non-executive Director as announced on 20 March 2012. Mr. Mu's service contract commenced on 21 March 2012 and will expire on 20 March 2013.

Pursuant to such service contracts, the remuneration for each of the Directors is set out below:

<b>NAME OF DIRECTOR</b>	<b>PER ANNUM</b>
MR. ZHAO FENG	RMB724,116
MR. MU WEI ZHONG	RMB60,000
MS. YU ZHENG	HK\$180,000
MR. HE DONG HAN	HK\$150,000
DR. WANG CHING	HK\$150,000
MR. ZHANG LIREN	HK\$150,000
MR. WU FRED FONG	HK\$150,000

Each of these contracts may be terminated by either party giving at least three months' prior notice in writing. The terms of each of the service contracts were determined by reference to the prevailing market rate and each of the Directors' time, effort and expertise devoted to the Company. The Company and each of the respective Directors consider such terms of service as reasonable.

The following is a summary of the principal terms of the New Share Option Scheme:

*(a) Purpose*

The purpose of the New Share Option Scheme is to reward Participants who have contributed or will contribute to the Group and to encourage Participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole.

*(b) Who May Join*

The Directors may, at their discretion, invite Participants to take up Options at a price calculated in accordance with paragraph (d) below. An Offer shall remain open for acceptance by the Participant concerned for 28 days from the Date of Grant provided that no such Offer shall be open for acceptance after the expiry of the Option Period or after the New Share Option Scheme is terminated or after the Participant has ceased to be a Participant. An Option shall be regarded as having been accepted when the Company receives from the Grantee the duplicate of the grant letter, comprising acceptance of the Offer, duly signed by the Grantee together with a remittance in favour of the Company of HK\$1.00 as consideration for the grant of Option. Such remittance is not refundable in any circumstances. The Offer shall specify the terms on which the Option is granted. Such terms may at the discretion of the Board, include among either things, (i) the minimum period for which an Option must be held and/or (ii) a performance target that must be reached before the Option can be exercised in whole or in part, and (iii) any other terms, all of which may be imposed (or not imposed) either on a case-by-case basis or generally.

*(c) Grant of Options to Connected Persons or any of their Associates*

Any grant of Options to any Director, chief executive or substantial shareholder (as such term as defined in the Listing Rules) of the Company, or any of their respective associates under the New Share Option Scheme or any other share option schemes of the Company or any of the Subsidiaries shall be subject to the prior approval of the independent non-executive Directors (excluding independent non-executive Directors who are the proposed Grantees of the Options in question). Where any grant of Options to a substantial shareholder or an independent non-executive Director of the Company, or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled or outstanding) to such person in the 12-month period up to and including the date of such grant:

- (i) representing in aggregate over 0.1% of the number of Shares in issue on the date of such grant; and
- (ii) having an aggregate value, based on the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the Date of Grant, in excess of HK\$5 million,

such further grant of Options shall be subject to prior approval by resolution of the Shareholders (voting by way of poll). The Company shall send a circular to the Shareholders in accordance with the Listing Rules and all connected persons of the Company shall abstain from voting in favour of the resolution at such general meeting of the Shareholders.

*(d) Subscription Price*

The Subscription Price shall be determined by the Board in its absolute discretion but in any event shall not be less than the higher of:

- (i) the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the Date of Grant which must be a Business Day;
- (ii) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five Business Days immediately preceding the Date of Grant; and
- (iii) the nominal value of the Shares.

*(e) Maximum Number of Shares*

- (i) The maximum number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any other share option schemes of the shall not, in the absence of Shareholders' approval, in aggregate exceed 10% in nominal amount of the aggregate of Shares in issue on the Adoption Date (the "Scheme Mandate Limit"). Options lapsed in accordance with the terms of the New Share Option Scheme and (as the case may be) such other share option schemes of the Company will not be counted for the purpose of calculating the Scheme Mandate Limit.
- (ii) The Company may renew the Scheme Mandate Limit at any time subject to prior Shareholders' approval but in any event, the total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any other options to be granted under any other share option schemes of the Company under the limit as refreshed must not exceed 10% of the Shares in issue as at the date of the Shareholders' approval of the renewed limit. Options previously granted (and subject to acceptance) under the New Share Option Scheme and any other share option schemes of the Company (including those outstanding, cancelled, lapsed in accordance with the terms or exercised options)) will not be counted for the purpose of calculating the limit as renewed.

- (iii) Notwithstanding the foregoing, the Company may grant Options beyond the Scheme Mandate Limit to Participants if:
- (1) separate Shareholders' approval has been obtained for granting Options beyond the Scheme Mandate Limit to Participants specifically identified by the Company before such Shareholders' approval is sought; and
  - (2) the Company, in connection with the seeking of such separate Shareholders' approval, has first sent a circular to Shareholders containing such information as may be required by the Listing Rules then prevailing to be included in such circular.
- (iv) Subject to paragraph (v) below, the maximum number of Shares issued and to be issued upon exercise of the Options granted to each Grantee under the New Share Option Scheme (including both exercised and outstanding Options) in any 12-month period shall not (when aggregated with any Shares subject to options granted during such period under any other share option scheme(s) of the Company other than those options granted pursuant to specific approval by the Shareholders in a general meeting) exceed 1% of the Shares in issue for the time being (the "Individual Limit").
- (v) Where any further grant of Options to a Participant would result in the Shares issued and to be issued upon exercise of all Options granted and to be granted to such person (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue, such further grant must be separately approved by Shareholders in general meeting with such Participant and his associates abstaining from voting. The Company must send a circular to the Shareholders disclosing the identity of the Participant in question, the number and terms of the Options to be granted (and Options previously granted to such Participant) and such other information required under the Listing Rules.
- (vi) At any time, the maximum number of Shares which may be issued upon exercise of all Options which then have been granted and have yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company shall not, in the absence of Shareholders' approval, in aggregate exceed 30% of the Shares in issue from time to time.

The Options do not carry any right to vote in general meeting of the Company, or any right, dividend, transfer or any other rights, including those arising on the liquidation of the Company.

*(f) Time of Exercise of Option*

An Option may be exercised in accordance with the terms of the New Share Option Scheme at any time during the Option Period.

*(g) Rights are Personal to Grantees*

An Option is personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, assign, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to any Option.

*(h) Rights on Termination of Employment by Dismissal*

- (i) If the Grantee ceases to be a Participant by reason of the termination of his employment or directorship on the grounds of serious misconduct, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his debts or has committed any act of bankruptcy or has become insolvent or has made any arrangements or compromise with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or on any other grounds on which an employer would be entitled to terminate his employment summarily, his Option will lapse automatically (to the extent not already exercised) and not be exercisable on or after the date of termination of his employment.
- (ii) If the Grantee who is an employee or a Director of the Company or another member of the Group ceases to be a Participant for any reason other than his death or termination of his employment or directorship on one or more of the grounds specified in paragraph (h)(i) above, the Option shall lapse (to the extent not already exercised) on the date of cessation or termination of his employment and shall on that day cease to be exercisable.

*(i) Rights on ceasing to be a Participant*

If the Grantee who is not an employee or a Director of the Company or another member of the Group ceases to be a Participant as and when determined by the Board by resolution for any reason other than his death, the Board may by written notice to such Grantee within one month from the date of such cessation determine the period within which the Option (or such remaining part thereof) shall be exercisable following the date of such cessation.

(j) *Rights on Death*

If the Grantee ceases to be a Participant by reason of his death before exercising his Option in full and none of the events which would be a ground for termination of his employment as described in paragraph (h)(i) above have arisen, his legal personal representative(s) may exercise the Option up to the Grantee's entitlement as at the date of death (to the extent not already exercised) within a period of 12 months following the date of his death.

(k) *Effect of Alterations to Share Capital*

In the event of an alteration in the capital structure of the Company, whilst any Option remains exercisable, by way of capitalisation of profits or reserves, bonus issue, rights issue, open offer, subdivision or consolidation of Shares, or reduction of the share capital of the Company in accordance with legal requirements and requirements of the Stock Exchange (other than any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company is a party), such corresponding adjustments (if any) shall be made to:

- (i) the number or nominal amount of Shares subject to the Option so far as unexercised; or
- (ii) the Subscription Price,

or any combination thereof, provided that:

- (a) any such adjustments give a Grantee the same proportion of the equity capital of the Company as that to which that Grantee was previously entitled; and
- (b) notwithstanding paragraph (k)(a) above, any adjustments as a result of an issue of securities with a price-dilutive element, such as a rights issue, open offer or capitalisation issue, should be based on a scrip factor similar to the one used in accounting standards in adjusting the earnings per share figures (referred to in Hong Kong Accounting Standards 33) and the acceptable adjustments set out in the Supplementary Guidance on Rule 17.03(3) of the Listing Rules issued by the Stock Exchange on 5 September 2005;

but no such adjustments shall be made to the extent that a Share would be issued at less than its nominal value. In respect of any such adjustments, an independent financial advisor or the auditors of the Company must confirm to the Directors in writing that the adjustments satisfies the requirements in paragraphs (k)(a) and (k)(b) above.

*(l) Rights on a General Offer by way of Takeover*

In the event of a general offer by way of takeover (other than by way of scheme of arrangement) being made to all the Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) and such offer becomes or is declared unconditional prior to the expiry date of the relevant Option, the Company shall forthwith notify all the Grantees and any Grantee (or his legal personal representative) shall be entitled to exercise the Option in full (to the extent not already exercised) or to the extent as notified by the Company at any time within such period as shall be notified by the Company.

*(m) Rights on a general offer by way of scheme of arrangement*

In the event of a general offer by way of scheme of arrangement being made to all the Shareholders and has been approved by the necessary number of Shareholders at the requisite meetings, the Company shall forthwith notify all the Grantees and any Grantee (or his legal personal representative) may at any time thereafter, (but before such time as shall be notified by the Company) exercise the Option either to its full extent or to the extent notified by the Company.

*(n) Rights on Winding-up*

In the event a notice is given by the Company to the Shareholders to convene a Shareholders' meeting to consider and, if thought fit, approve a resolution to voluntarily wind-up the Company, the Company shall forthwith give notice thereof to all Grantees and any Grantee (or his legal personal representative) may at any time thereafter (but before such time as shall be notified by the Company) exercise the Option either to its full extent or to the extent notified by the Company, and the Company shall as soon as possible and in any event no later than three days prior to the date of the proposed Shareholders' meeting, allot, issue and register in the name of the Grantee such number of Shares to the Grantee which fall to be issued on such exercise.

*(o) Rights on a Compromise or Arrangement*

In the event a compromise or arrangement (other than a scheme of arrangement) between the Company and its members or creditors is proposed in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice to all the Grantees on the same date as it gives notice of the meeting to its members or creditors to consider such a compromise or arrangement, and the Grantee (or his legal personal representative) may at any time thereafter (but before such time as shall be notified by the Company) exercise the Option either to its full extent or to the extent notified by the Company and the Company shall as soon as possible and in any event no later than three days prior to the date of the proposed Shareholders' meeting, allot, issue and register in the name of the Grantee such number of Shares which fall to be issued on such exercise.

*(p) Ranking of Shares*

The Shares to be allotted upon the exercise of an Option shall be subject to all the provisions of the Articles for the time being in force and shall rank pari passu in all respects with the existing fully paid Shares in issue on the date on which these Shares are allotted on exercise of the Option and accordingly shall entitle the holders to participate in all dividends or other distributions paid or made after the date on which the Shares are allotted other than any dividends or distributions previously declared or recommended or resolved to be paid or made if the record date thereof shall be on or before the date on which the Shares are allotted.

*(q) Period of the New Share Option Scheme*

The New Share Option Scheme shall be adopted for a period of 10 years commencing from the Adoption Date. The Company may, by ordinary resolution in a general meeting or, such date as the Board determines, terminate the New Share Option Scheme at any time without prejudice to the exercise of Options granted prior to such termination.

*(r) Alterations to the New Share Option Scheme*

- (i) The specific provisions of the New Share Option Scheme which relate to the matters set out in Rule 17.03 of the Listing Rules cannot be altered to the advantage of Participants without the prior approval of Shareholders in general meeting.
- (ii) Changes to the authority of the Board in relation to any alteration of the terms of the New Share Option Scheme shall not be made, without the prior approval of Shareholders in general meeting.
- (iii) Any alterations to the terms and conditions of the New Share Option Scheme which are of a material nature, or any change to the terms of Options granted, must be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the New Share Option Scheme. The New Share Option Scheme so altered must comply with Chapter 17 of the Listing Rules.

*(s) Conditions of the New Share Option Scheme*

The New Share Option Scheme shall take effect subject to:

- (i) the passing of the resolution by the Shareholders to approve and adopt the New Share Option Scheme and to authorise the Board to grant Options thereunder and to allot and issue Shares pursuant to the exercise of any Options; and

- (ii) the Listing Committee of the Stock Exchange granting the approval of the listing of, and permission to deal in, the Shares which fall to be issued pursuant to the exercise of any Options (subject to an initial limit of 10% of the aggregate number of Shares in issue on the date of such Shareholders' resolution to approve and adopt the New Share Option Scheme).

**(t) *Lapse of Option***

An Option shall lapse automatically and shall not be exercisable, to the extent not already exercised, on the earliest of:

- (i) the expiry of the Option Period;
- (ii) the expiry of the periods referred to in paragraphs (h), (i), (j), (l) to (o) above respectively;
- (iii) the expiry of the period referred to in paragraph (l) above, subject to any court of competent jurisdiction making an order to prohibit the offeror from acquiring the remaining Shares in the Offer;
- (iv) subject to the scheme of arrangement becoming effective, the expiry of the period referred to in paragraph (m) above;
- (v) the date of commencement of the winding-up of the Company;
- (vi) the date on which the Grantee ceases to be a Participant as referred to in paragraph (h)(i) and (ii) above;
- (vii) the date on which the Grantee commits a breach by selling, transferring, charging, mortgaging, encumbering or creating any interest in favour of any third party over or in relation to any Option; and
- (viii) subject to paragraph (h)(ii), the date the Grantee ceases to be a Participant for any other reason.

**(u) *Termination of the New Share Option Scheme***

The Company may, by ordinary resolution in general meeting, or the Board may at anytime terminate the New Share Option Scheme and in such event no further Options may be granted but in all other respects the New Share Option Scheme shall remain in full force and effect in respect of Options which are granted during the life of the New Share Option Scheme and which remain unexpired immediately prior to termination of the operation of the New Share Option Scheme.

(v) *Restriction on Grant of Option*

In addition, a grant of Options may not be made after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision until such price sensitive information has been published in the newspapers or in such other manner as prescribed by the Listing Rules. In particular, during the period commencing one month immediately preceding the earlier of:

- (i) the date of the board meeting of the Company (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year or any other interim period (whether or not required under the Listing Rules); and
- (ii) the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or, not required under the Listing Rules),

and ending on the date of the results announcement, no Option may be granted.

(w) *Cancellation*

- (i) Any Options granted but not exercised may be cancelled if the Participant so agrees.
- (ii) Where the Company cancels Options and issues new ones to the same Grantee, the issue of such new options may only be made under a scheme with available unissued Shares (excluding the Shares which were the subject of cancelled options) under the Scheme Mandate Limit.

(x) *Present Status of the New Share Option Scheme*

As at the date of this circular, no Option has been granted or agreed to be granted pursuant to the New Share Option Scheme.

NOTICE OF ANNUAL GENERAL MEETING



**MINTH GROUP LIMITED**

**敏實集團有限公司**

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

**(Stock Code: 425)**

**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the annual general meeting of Minth Group Limited (the "Company") will be held at 20th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong at 10:00 a.m. on Tuesday, 22 May 2012 to consider and, if thought fit, transact the following ordinary business:

1. to receive and consider the audited consolidated financial statements, the reports of the directors of the Company and the auditors of the Company for the year ended 31 December 2011;
2. to declare a final dividend for the year ended 31 December 2011;
3. to re-elect Mr. Mu Wei Zhong as a non-executive director of the Company;
4. to re-elect Dr. Wang Ching as an independent non-executive director of the Company;
5. to re-elect Mr. Zhang Liren as an independent non-executive director of the Company;
6. to re-elect Mr. Wu Fred Fong as an independent non-executive director of the Company;
7. to authorise the board of directors of the Company to approve and confirm the terms of appointment (including remuneration) for Mr. Zhao Feng, further details of which are set out in the Circular;
8. to authorise the board of directors of the Company to approve, ratify and confirm the terms of appointment (including remuneration) for Mr. Mu Wei Zhong, further details of which are set out in the Circular;
9. to authorise the board of directors of the Company to approve and confirm the terms of appointment (including remuneration) for Ms. Yu Zheng, further details of which are set out in the Circular;
10. to authorise the board of directors of the Company to approve and confirm the terms of appointment (including remuneration) for Mr. He Dong Han, further details of which are set out in the Circular;

## NOTICE OF ANNUAL GENERAL MEETING

11. to authorise the board of directors of the Company to approve and confirm the terms of appointment (including remuneration) for Dr. Wang Ching, further details of which are set out in the Circular;
12. to authorise the board of directors of the Company to approve and confirm the terms of appointment (including remuneration) for Mr. Zhang Liren, further details of which are set out in the Circular;
13. to authorise the board of directors of the Company to approve and confirm the terms of appointment (including remuneration) for Mr. Wu Fred Fong, further details of which are set out in the Circular; and
14. to re-appoint Deloitte Touche Tohmatsu as the Company's auditors and to authorise the board of directors of the Company to fix their remuneration;

and, as special business, to consider and, if thought fit, pass the following resolutions as ordinary resolutions:

### ORDINARY RESOLUTIONS

15. **“THAT:**
  - (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”), the exercise by the directors of Minth Group Limited (“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 (each, a “Share”) 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 might require the exercise of such powers be and the same 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 expiry of the Relevant Period;
  - (c) the aggregate nominal amount of share capital allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to options or otherwise) by the directors of the Company pursuant to the approval in paragraphs (a) and (b) above, otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (d) below); or (ii) the exercise of any options granted under all share option schemes of the Company adopted from time to time in accordance with the Listing Rules; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of

## NOTICE OF ANNUAL GENERAL MEETING

the whole or part of a dividend on Shares or similar arrangement in accordance with the articles of association of the Company in force from time to time; or (iv) 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 the aggregate of:

- (aa) 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution; and
- (bb) (if the directors of the Company are so authorised by a separate ordinary resolution of the shareholders of the Company) the aggregate nominal amount of any share capital of the Company purchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution), and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (d) for the purposes of this resolution:

**“Relevant Period”** means the period from the date of 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 the applicable law of the Cayman Islands to be held; or
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution;

**“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 on the Company’s register of members on a fixed record date in proportion to their then holdings of 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, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

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16. **“THAT:**
- (a) subject to paragraph (b) below, the exercise by the directors of Minth Group Limited (“Company”) during the Relevant Period of all powers of the Company to purchase shares (each, a “Share”) of HK\$0.10 each in the capital of the Company on The Stock Exchange of Hong Kong Limited (“Stock Exchange”), or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose, and otherwise 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 the same is hereby generally and unconditionally approved;
  - (b) the aggregate nominal amount of Shares which may be purchased or agreed to be purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period (as defined in paragraph (c) below) shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
  - (c) for the purposes of this resolution, “Relevant Period” means the period from the date of 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 the applicable law of the Cayman Islands to be held; or
    - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution.”
17. **“THAT** conditional on the passing of resolutions numbered 15 and 16 above, the general mandate granted to the directors of Minth Group Limited (“Company”) pursuant to paragraph (a) of resolution numbered 15 above be and is hereby extended by the addition to the aggregate nominal amount of the shares which may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to or in accordance with such general mandate of an amount representing the aggregate nominal

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amount of the share capital of the Company purchased or agreed to be purchased by the Company pursuant to or in accordance with the authority granted under paragraph (a) of resolution numbered 16 above.”

18. “**THAT:**

- (a) subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the approval of the listing of, and permission to deal in, the shares of the Company which fall to be allotted and issued pursuant to the exercise of options granted under the proposed share option scheme of the Company (the “New Share Option Scheme”) (a copy of which has been produced to this meeting marked “A” and initialled by the chairman of the meeting for the purpose of identification), the rules of the New Share Option Scheme be and are hereby approved and the directors of the Company be authorised to grant options and allot and issue shares of the Company pursuant to the New Share Option Scheme, and that the directors of the Company be and are hereby authorised to do all such acts and to enter into all such transactions and arrangements as may be necessary and expedient in order to give effect to the New Share Option Scheme; and
- (b) subject to and conditional upon the New Share Option Scheme becoming unconditional and effective, the existing share option scheme of the Company adopted by the Company on 13 November 2005 be terminated with effect from the date of the New Share Option Scheme becoming unconditional and effective.”

Yours faithfully  
For and on behalf of the Board  
**MINTH GROUP LIMITED**  
**Chin Jong Hwa**  
*Chairman*

Hong Kong, 20 April 2012

*Notes:*

1. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or, if he is the holder of two or more shares, more than one proxy to attend and, subject to the provisions of the articles of association of the Company, vote in his stead. A proxy need not be a member of the Company.
2. To be valid, the form of proxy together with a power of attorney or other authority, if any, under which it is signed or a certified copy of such power or authority must be deposited at the offices of the Company’s Hong Kong branch registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 48 hours before the time of the above meeting.
3. The register of members of the Company will be closed from Friday, 18 May 2012 to Tuesday, 22 May 2012, both days inclusive, during which no transfer of share will be effected. In order to qualify for attending the annual general meeting, all transfers of Shares, accompanied by the relevant share

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certificates, must be lodged with the Company's branch register in Hong Kong at the address stated in note 2 above not later than 4:30 p.m. on Thursday, 17 May 2012 for registration.

4. In relation to proposed resolutions numbered 15 and 17 above, approval is being sought from the shareholders for the grant to the directors of a general mandate to authorise the allotment and issue of shares under the Listing Rules. The directors of the Company 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 shareholders.
5. In relation to proposed resolution numbered 16 above, the directors of the Company 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. An explanatory statement containing the information necessary to enable the shareholders to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in Appendix I to the circular of which this notice of the Annual General Meeting forms part.
6. 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.
7. 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 and 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.
8. As of the date of this notice, the board of directors of the Company comprises Mr. Chin Jong Hwa, Mr. Shi Jian Hui, Mr. Zhao Feng and Mr. Kawaguchi Kiyoshi, being executive Directors, Ms. Yu Zheng, Mr. He Dong Han and Mr. Mu Wei Zhong, being non-executive Directors, Dr. Wang Ching, Mr. Zhang Liren and Mr. Wu Fred Fong, being independent non-executive Directors.