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**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 adviser.

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

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**華潤醫藥集團有限公司**

**China Resources Pharmaceutical Group Limited**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 3320)**

**PROPOSALS FOR GENERAL MANDATES TO BUY BACK SHARES  
AND TO ISSUE SHARES,  
RE-ELECTION OF RETIRING DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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The notice convening the Annual General Meeting of China Resources Pharmaceutical Group Limited to be held at 50th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong on Friday, 19 May 2017 at 10:00 a.m. is set out on pages 14 to 18 of this circular. Shareholders are advised to complete and return the accompanying proxy form in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting at the Annual General Meeting if you so wish.

Hong Kong, 13 April 2017

## DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at 50th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong on Friday, 19 May 2017 at 10:00 a.m., notice of which is set out on pages 14 to 18 of this circular
“Articles of Association”	the articles of association of the Company
“Board”	the board of Directors
“BSCOMC”	Beijing State-Owned Capital Operations and Management Centre (北京國有資本經營管理中心), a state-owned enterprise incorporated in the PRC and a substantial shareholder of the Company
“Buy-back Proposal”	the proposal to give a general mandate to the Directors to exercise the powers of the Company to buy back Shares during the period as set out in the Buy-back Resolution up to a maximum of 10% of the issued Shares at the date of the Buy-back Resolution
“Buy-back Resolution”	the ordinary resolution proposed under item no. 5 of the notice of the Annual General Meeting
“China” or “PRC”	the People’s Republic of China, excluding, for the purposes of this circular only, Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Company”	China Resources Pharmaceutical Group Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 3320)
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“CR Double-Crane”	China Resources Double-Crane Pharmaceutical Company Limited (華潤雙鶴藥業股份有限公司), a company incorporated under the laws of the PRC, the shares of which are listed on the Shanghai Stock Exchange (stock code: 600062) and a 59.99% owned subsidiary of the Company

## DEFINITIONS

“CR Holdings”	China Resources (Holdings) Company Limited, a company incorporated in Hong Kong with limited liability and a controlling shareholder of the Company
“CRNC”	China Resources National Corporation, a company incorporated in the PRC and the ultimate holding company of the Company
“CR Sanjiu”	China Resources Sanjiu Medical & Pharmaceutical Company Limited (華潤三九醫藥股份有限公司), a company incorporated under the laws of the PRC, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 000999) and a 63.60% owned subsidiary of the Company
“Directors”	the directors of the Company
“Dong-E-E-Jiao”	Dong-E-E-Jiao Company Limited (東阿阿膠股份有限公司), a company incorporated under the laws of the PRC, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 000423) and controlled as to 28.14% by the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Latest Practicable Date”	6 April 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Securities and Futures Ordinance”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of the Company
“Share Buy-back Rules”	the relevant rules set out in the Listing Rules to regulate the buy-back or purchase by companies with primary listings on the Stock Exchange of their own securities on the Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

## DEFINITIONS

“subsidiaries”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	The Code on Takeovers and Mergers

*Note:* For ease of reference, the names of PRC established companies or entities have been included in this circular in both Chinese and English languages, and in the event of any inconsistency, the Chinese version shall prevail.

LETTER FROM THE BOARD



華潤醫藥集團有限公司

China Resources Pharmaceutical Group Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 3320)

*Directors:*

**Chairman and non-executive Director**

FU Yuning

**Executive Directors**

WANG Chuncheng

SONG Qing

LI Guohui

**Non-executive Directors**

CHEN Rong

YU Zhongliang

WANG Chenyang

WANG Jing

**Independent non-executive Directors**

TSANG Hing Lun

KWOK Kin Fun

FU Tingmei

ZHANG Kejian

*Registered Office:*

41/F,

China Resources Building,

26 Harbour Road,

Wanchai,

Hong Kong

Hong Kong, 13 April 2017

*To the Shareholders,*

Dear Sir or Madam,

**PROPOSALS FOR GENERAL MANDATES TO BUY BACK SHARES  
AND TO ISSUE SHARES,  
RE-ELECTION OF RETIRING DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide you with information regarding, among other things, the proposed general mandates to buy back Shares and to issue Shares, and to seek the Shareholders' approval at the Annual General Meeting in connection with the grant of the relevant general mandates.

## **LETTER FROM THE BOARD**

### **GENERAL MANDATE TO BUY BACK SHARES**

Pursuant to the written resolutions passed by the Shareholders on 20 June 2016, a general mandate was given to the Directors to exercise the powers of the Company to buy back Shares. Such mandate will lapse at the conclusion of the Annual General Meeting. It is therefore proposed to seek your approval of the Buy-back Resolution at the Annual General Meeting to give a fresh general mandate to the Directors to exercise the powers of the Company to buy back Shares. An explanatory statement as required under the Share Buy-back Rules to provide the requisite information of the Buy-back Proposal is set out in Appendix I to this circular.

### **GENERAL MANDATE TO ISSUE SHARES**

Pursuant to the written resolutions passed by the Shareholders on 20 June 2016, a general mandate was given to the Directors to issue Shares. Such mandate will lapse at the conclusion of the Annual General Meeting. It is therefore proposed at the Annual General Meeting two ordinary resolutions respectively granting to the Directors a general mandate to allot, issue and deal with Shares not exceeding 20% of the issued Shares at the date of the resolution (i.e. not exceeding 1,256,901,292 Shares based on 6,284,506,461 Shares in issue as at the Latest Practicable Date and assuming that such issued Shares remain the same at the date of passing the resolution) and adding to such general mandate so granted to the Directors any Shares representing the total number of the Shares bought back by the Company after the granting of the general mandate to buy back up to 10% of the issued Shares at the date of the Buy-back Resolution.

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

As at the Latest Practicable Date, the Board comprises Mr. FU Yuning as chairman and non-executive Director, Mr. WANG Chuncheng, Mr. SONG Qing and Mr. LI Guohui as executive Directors, Mr. CHEN Rong, Mr. YU Zhongliang, Mr. WANG Chenyang and Ms. WANG Jing as non-executive Directors, Mr. TSANG Hing Lun, Mr. KWOK Kin Fun, Mr. FU Tingmei and Mr. ZHANG Kejian as independent non-executive Directors.

Pursuant to Article 88 of the Articles of Association, Mr. LI Guohui, Mr. CHEN Rong, Mr. YU Zhongliang and Ms. WANG Jing will retire from office at the Annual General Meeting and, being eligible, will offer themselves for re-election.

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

### **ANNUAL GENERAL MEETING**

Set out on pages 14 to 18 of this circular is the notice convening the Annual General Meeting.

At the Annual General Meeting, resolutions will be proposed to the shareholders, including re-election of retiring Directors, the Buy-back Proposal, the general mandate for Directors to issue new Shares and the extension of the general mandate to issue new Shares.

## LETTER FROM THE BOARD

### **ACTION TO BE TAKEN**

A proxy form for use at the Annual General Meeting is enclosed with this circular. Shareholders are advised to read the notice contained herein and to complete and return the accompanying proxy form in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting at the Annual General Meeting if you so wish.

### **VOTING BY WAY OF POLL**

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

### **RECOMMENDATION**

The Directors believe that the Buy-back Proposal, the proposed general mandate for Directors to issue new Shares, the proposed extension of the general mandate to issue new Shares and the proposed re-election of retiring Directors are all in the best interest of the Company and its shareholders. Accordingly, the Directors recommend that all shareholders should vote in favour of such resolutions to be proposed at the Annual General Meeting.

Yours faithfully,  
**China Resources Pharmaceutical Group Limited**  
**WANG Chuncheng**  
*Executive Director*

*This appendix serves as an explanatory statement, as required by the Share Buy-back Rules, to provide requisite information to you for your consideration of the proposal to permit the buy-back of Shares up to a maximum of 10% of the issued Shares as at the date of the Buy-back Resolution.*

*This appendix also constitutes a memorandum as required under section 239(2) of the Companies Ordinance.*

## **1. ISSUED SHARES**

As at the Latest Practicable Date, the number of issued Shares is 6,284,506,461 Shares.

Subject to the passing of the Buy-back Resolution and on the basis that no further Shares will be issued or bought back prior to the Annual General Meeting, the Company would be allowed under the Buy-back Proposal to buy back a maximum of 628,450,646 Shares representing not more than 10% of the issued Shares as at the Latest Practicable Date.

## **2. REASONS FOR BUY-BACK**

The Directors believe that the Buy-back Proposal is in the best interest of the Company and its Shareholders. Such buy-back may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per Share of the Company and will only be made when the Directors believe that such a buy-back will benefit the Company and its Shareholders.

## **3. FUNDING OF BUY-BACK**

For the purpose of buy-back of Shares, the Company may only apply funds legally available for such purpose in accordance with its Articles of Association and the Companies Ordinance. The Companies Ordinance provides that payment in respect of a share buy-back may be made out of the Company's distributable profits and/or out of the proceeds of a fresh issue of Shares made for the purpose of the buy-back.

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 accounts contained in the annual report for the year ended 31 December 2016 in the event that the power to buy back Shares pursuant to the Buy-back Proposal was to be carried out in full at any time during the proposed buy-back period. However, the Directors do not propose to exercise the power to buy back Shares pursuant to the Buy-back Proposal to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.



#### 4. SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the following months from 28 October 2016 (being the date of listing of the Shares on the Stock Exchange) up to the Latest Practicable Date were as follows:

	Trading price per Shares	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
October 2016	9.10	8.75
November 2016	9.03	8.30
December 2016	8.84	8.28
January 2017	8.76	8.33
February 2017	8.78	8.37
March 2017	9.54	8.40
April 2017 (up to the Latest Practicable Date)	9.25	9.00

#### 5. UNDERTAKING

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 buy-backs pursuant to the Buy-back Resolution and in accordance with the Listing Rules and the applicable laws of Hong Kong.

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

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

#### 6. TAKEOVERS CODE

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

As at the Latest Practicable Date, CRNC is interested in 3,333,185,612 Shares (representing approximately 53.04% of the total issued Shares as at the Latest Practicable Date. In the event that the Directors exercise in full the power to buy back Shares under the Buy-back Proposal, then (if the present shareholding remains the same) the attributable interest of CRNC would be increased to approximately 58.93% of the issued Shares.

The Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any buy-backs made under the Buy-back Proposal. The Company has no present intention to buy back Shares to such extent as to result in the number of Shares held by the public being reduced to less than 25%.”

#### **7. SHARES BUY-BACK MADE BY THE COMPANY**

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

*The following are the particulars of the four Directors proposed to be re-elected at the Annual General Meeting:*

**Mr. LI Guohui** (*Executive Director*)

Mr. LI Guohui (李國輝), aged 45, was appointed as a Director in March 2016 and designated as an executive Director in June 2016. He is a member of executive committee and corporate governance committee of the Company. Mr. LI also serves as the chief financial officer and vice president of the Company, a director of CR Double-Crane, a director of Dong-E-E-Jiao and a supervisor of CR Sanjiu. Mr. LI has over 10 years of experience in financial and business analysis and financial management. Mr. LI joined CR Holdings in 2009 and served as the chief accounting officer of the finance department from September 2011. Mr. LI obtained a bachelor's degree in shipbuilding techniques and equipment from the Faculty of Naval Architecture and Ocean Engineering of Wuhan Institute of Water Transportation Engineering (currently known as Wuhan University of Technology) in Wuhan, the PRC. He holds a master's degree in business administration from Wuhan University, the PRC and a master's degree in financial management from Nanyang Technological University in Singapore. Mr. LI is a CFA charter holder and a certified accountant of the Institute of Certified Public Accountant of Singapore.

Save as disclosed above, Mr. LI did not hold any directorship in other listed public companies in the last three years or any position with the Company or other members of the Group. Mr. LI is and was not connected with any directors, senior management or substantial or controlling shareholders of the Company.

There is no service contract between the Company and Mr. LI for his position as an executive Director. He has no fixed term of service with the Company. He will be subject to retirement by rotation and re-election at annual general meeting of the Company pursuant to the Articles of Association. The Directors' fee payable to Mr. LI shall be determined by the Board under the authority granted by the Shareholders at the Annual General Meeting with reference to his duties and responsibilities in the Company and the recommendation made by the Remuneration Committee of the Company. For the year ended 31 December 2016, Mr. LI received remuneration of HK\$3,271,000 (including salaries and other allowance, retirement benefit scheme contributions and others) for his services as an executive Director, chief financial officer and vice president of the Company. As at the Latest Practicable Date, Mr. LI did not have any interest in the Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, Mr. LI has confirmed that there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders and there is no other information which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

**Mr. CHEN Rong** (*Non-executive Director*)

Mr. CHEN Rong (陳榮), aged 44, was appointed as General Manager of the Finance Department of CR Holdings in February 2016. Mr. CHEN was appointed as non-executive director of China Resources Beer (Holdings) Company Limited (formerly known as China Resources Enterprise, Limited), a company listed on the Stock Exchange (stock code: 291) in April 2016 and a Director in May 2016 and designated as its non-executive Director in June 2016. He is a member of audit committee and remuneration committee of the Company.

Mr. CHEN has previously worked in Epson Technical Limited, Walmart China Investment Limited and Fuji Electric Technical Services Limited. Mr. CHEN joined CR Holdings in May 2007, he was the head of tax management of the Finance Department of CR Holdings and deputy general manager and chief financial officer of China Resources Vanguard Company Limited.

Mr. CHEN holds MBA degree from Xi'an Jiaotong University. He is an Intermediate Accountant and a Certified Tax Agent in China. He is also a non-practicing member of the Chinese Institute of Certified Public Accountants.

Save as disclosed above, Mr. CHEN (i) did not hold any directorship in other listed public companies in the last three years or any position with the Company or other members of the Group; and (ii) is and was not connected with any directors, senior management or substantial or controlling shareholders of the Company.

There is no service contract between the Company and Mr. CHEN for his position as non-executive Director. He has no fixed term of service with the Company. He will be subject to retirement by rotation and re-election at annual general meeting of the Company pursuant to the Articles of Association. Mr. CHEN will not receive any remuneration from the Company. As at the Latest Practicable Date, Mr. CHEN did not have any interest in the Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, Mr. CHEN has confirmed that there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders and there is no other information which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

**Mr. YU Zhongliang** (*Non-executive Director*)

Mr. YU Zhongliang (余忠良), aged 52, was appointed as a non-executive Director in June 2016. Mr. YU also serves as a senior deputy chief strategy officer of the strategy management department of CR Holdings. Mr. YU has over 20 years of experience in investment, business analysis and strategic development. Mr. YU was successively the strategic development controller, an executive director and a vice chairman of China Resources Cement Holdings Limited, a company listed on the Stock Exchange (stock code: 1313). Mr. YU holds an MBA degree of York University in Toronto, Canada.

Save as disclosed above, Mr. YU (i) did not hold any directorship in other listed public companies in the last three years or any position with the Company or other members of the Group; and (ii) is and was not connected with any directors, senior management or substantial or controlling shareholders of the Company.

There is no service contract between the Company and Mr. YU for his position as non-executive Director. He has no fixed term of service with the Company. He will be subject to retirement by rotation and re-election at annual general meeting of the Company pursuant to the Articles of Association. Mr. YU will not receive any remuneration from the Company. As at the Latest Practicable Date, Mr. YU did not have any interest in the Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, Mr. YU has confirmed that there are no other matters relating to his re-election that need to be brought to the attention of the Shareholders and there is no other information which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

**Ms. WANG Jing** (*Non-executive Director*)

Ms. WANG Jing (王京), aged 45, was appointed as a non-executive Director in June 2016. She is a member of audit committee of the Company. Ms. WANG also serves as a deputy general manager of the BSCOMC, a director of BOE Technology Group Co. Ltd. (京東方科技集團股份有限公司), a company listed on Shenzhen Stock Exchange (stock code: 000725 (A Share), 200725 (B Share)), a non-executive director of BAIC Motor Corporation Ltd. (北京汽車股份有限公司), a company listed on the Stock Exchange (stock code: 1958), and a supervisor of CSC Financial Co., Ltd. (中信建投證券股份有限公司), a company listed on the Stock Exchange (stock code: 6066). Ms. WANG has over 10 years of experience in investment and management. She served as a manager of the enterprise management department of Beijing Enterprise Holdings Investment Management Co. Ltd. (北京控股投資管理有限公司) and held various positions in Beijing Holdings Ltd. (京泰(實業)集團有限公司), including a deputy general manager of Beijing Holdings Investment Management Center (北京京泰投資管理中心), a manager of the enterprise operation and management department and an assistant to general manager, and the chairman and general manager of Beijing Inland Port International Logistics Co. Ltd. (陸港國際物流有限公司). Ms. WANG obtained the qualification of senior economist issued by Senior Professional Qualification Appraisal Board of Beijing (北京市高級專業技術資格評審委員會) in September 2005 and the qualification of corporate legal advisor issued by the Ministry of Human Resources and Social Security of the PRC (中華人民共和國人力資源和社會保障部), the SASAC and the Ministry of Justice in October 2008. Ms. WANG obtained a bachelor of economics degree in finance from Beijing Institute of Finance and Trade (currently known as Capital University of Economics and Business), a master of law degree in economic law from Renmin University of China and a master's degree in business administration from Murdoch University in Perth, Australia.

Save as disclosed above, Ms. WANG (i) did not hold any directorship in other listed public companies in the last three years or any position with the Company or other members of the Group; and (ii) is and was not connected with any directors, senior management or substantial or controlling shareholders of the Company.

There is no service contract between the Company and Ms. WANG for her position as non-executive Director. She has no fixed term of service with the Company. She will be subject to retirement by rotation and re-election at annual general meeting of the Company pursuant to the Articles of Association. Ms. WANG will not receive any remuneration from the Company. As at the Latest Practicable Date, Ms. WANG did not have any interest in the Shares within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, Ms. WANG has confirmed that there are no other matters relating to her re-election that need to be brought to the attention of the Shareholders and there is no other information which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

## NOTICE OF ANNUAL GENERAL MEETING



華潤醫藥集團有限公司

China Resources Pharmaceutical Group Limited

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 3320)**

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an Annual General Meeting (“AGM”) of China Resources Pharmaceutical Group Limited (the “**Company**”) will be held at 50th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong on Friday, 19 May 2017 at 10:00 a.m. for the following purposes. Unless otherwise indicated, capitalized terms used herein shall have the same meanings as those defined in the circular of the Company dated 13 April 2017 (the “**Circular**”).

1. To receive and consider the audited financial statements, the directors’ report and the independent auditor’s report of the Company for the year ended 31 December 2016.
2. To declare a final dividend of HK\$0.09 per share for the year ended 31 December 2016.
3.
  - (1) To re-elect Mr. LI Guohui as Director;
  - (2) To re-elect Mr. CHEN Rong as Director;
  - (3) To re-elect Mr. YU Zhongliang as Director;
  - (4) To re-elect Ms. WANG Jing as Director;
  - (5) To authorise the Board to fix the remuneration of the Directors.
4. To re-appoint Messrs. Deloitte Touche Tohmatsu as the auditor of the Company and to authorise the Board to fix their remuneration.
5. To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

#### ORDINARY RESOLUTION

“**THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to buy back shares of the Company on the Stock Exchange or on any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws

## NOTICE OF ANNUAL GENERAL MEETING

and the requirements of the Listing Rules or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

- (b) the total number of shares of the Company which the Directors are authorised to buy back pursuant to the approval in paragraph (a) above shall not exceed 10% of the issued shares of the Company as at the date of this resolution, provided that if any subsequent consolidation or subdivision of shares of the Company into a different number of shares than the number of shares existing prior to such consolidation and subdivision is effected, the maximum number of shares of the Company that may be bought back under the mandate in paragraph (a) above as a percentage of the total number of issued shares of the Company at the date immediately before and after such consolidation or subdivision shall be the same and such maximum number of shares shall be adjusted accordingly; and
  - (c) for the purposes of this resolution, “**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:
    - (i) the conclusion of the next annual general meeting of the Company;
    - (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; and
    - (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting of the Company.”
6. To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

### ORDINARY RESOLUTION

“**THAT:**

- (a) subject to paragraph (c) below and pursuant to sections 140 and 141 of the Companies Ordinance, 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 of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power after the end of the Relevant Period;



## NOTICE OF ANNUAL GENERAL MEETING

- (c) the total number of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraph (a) above, otherwise than (i) a Rights Issue (as hereinafter defined); (ii) an issue of shares under any option scheme or similar arrangement for the time being adopted for the grant or issue of shares or rights to acquire shares of the Company; (iii) an issue of shares upon the exercise of the subscription or conversion rights under the terms of any warrants or any securities of the Company which are convertible into shares of the Company; or (iv) an issue of shares as scrip dividends pursuant to the Articles of Association of the Company from time to time, shall not exceed 20% of the issued shares of the Company as at the date of passing this resolution, provided that if any subsequent consolidation or subdivision of shares of the Company into a different number of shares than the number of shares existing prior to such consolidation and subdivision is effected, the maximum number of shares of the Company that may be allotted and issued under the mandate in paragraph (a) above as a percentage of the total number of issued shares of the Company at the date immediately before and after such consolidation or subdivision shall be the same and such maximum number of shares shall be adjusted accordingly; and
- (d) for the purpose of this resolution,

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

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

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

## NOTICE OF ANNUAL GENERAL MEETING

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

### ORDINARY RESOLUTION

“**THAT** subject to the passing of the resolution as proposed under items nos.5 and 6 set out in the notice convening this AGM, the general mandate granted to the Directors to allot, issue and deal with additional shares pursuant to the resolution as proposed under item no.6 set out in the notice convening this AGM be and is hereby extended by the addition thereto of the total number of the shares of the Company bought back by the Company under the authority granted pursuant to the resolution as proposed under item no.5 set out in the notice convening this AGM, provided that such number of shares so bought back shall not exceed 10% of the issued shares of the Company as at the date of the said resolution.”

By Order of the Board  
**WANG Chuncheng**  
*Executive Director*

Hong Kong, 13 April 2017

#### *Notes:*

1. Any member of the Company entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company.
2. To be valid, the proxy form, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be lodged with the registered office of the Company at 41st Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof.
3. The register of members of the Company will be closed from Monday, 15 May 2017 to Friday, 19 May 2017, both days inclusive, during which period no transfer of shares of the Company will be effected. In order to determine the identity of members who are entitled to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Friday, 12 May 2017 for registration.
4. With regard to item no. 2 in this notice, the Board has recommended a final dividend of HK\$0.09 per ordinary share payable on or around 9 June 2017. Subject to the approval of shareholders at the AGM, the proposed final dividend will be payable to shareholders whose names appear on the register of members of the Company after the close of business at 4:30 p.m. on Friday, 26 May 2017 and the register of members of the Company will be closed on Friday, 26 May 2017, during which no transfer of shares of the Company will be registered. In order to qualify for the proposed final dividend, all share transfer documents, accompanied by the relevant share certificates lodged with the Company's share registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Thursday, 25 May 2017 for registration.
5. With regard to item no. 3 in this notice, the Board has proposed that four retiring Directors, namely Mr. LI Guohui, Mr. CHEN Rong, Mr. YU Zhongliang and Ms. WANG Jing, being eligible, shall be re-elected as Directors of the Company. Details of these Directors are set out in Appendix II to the Circular.
6. With regard to item no 5 in this notice, an explanatory statement as required under the Share Buy-back Rules in connection with the Share Buy-back Proposal is set out in Appendix I to the Circular.

## NOTICE OF ANNUAL GENERAL MEETING

*As at the date of this notice, the Board comprises Mr. FU Yuning as chairman and non-executive Director, Mr. WANG Chuncheng, Mr. SONG Qing and Mr. LI Guohui as executive Directors, Mr. CHEN Rong, Mr. YU Zhongliang, Mr. WANG Chenyang and Ms. WANG Jing as non-executive Directors, Mr. TSANG Hing Lun, Mr. KWOK Kin Fun, Mr. FU Tingmei and Mr. ZHANG Kejian as independent non-executive Directors.*