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寶源控股有限公司
Bao Yuan Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 692)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting of Bao Yuan Holdings Limited (the “**Company**”) will be held at The City Garden Hotel, 9 City Garden Road, Hong Kong on Friday, 3 February 2012 at 9:00 a.m. for the purpose of considering and, if thought fit, passing, with or without modifications, the following resolutions which will be proposed as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. “THAT:

- (a) subject to paragraph (c) below, the exercise by the directors of the Company (the “**Directors**”) during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall be in addition to any other authorization given to the Directors and shall authorise the Directors during the Relevant Period (to be defined in paragraph (d) below) to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers after the end of the Relevant Period;

- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval granted in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (to be defined in paragraph (d) below), or (ii) any share option schemes of the Company approved by The Stock Exchange of Hong Kong Limited, or (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Bye-laws of the Company, or (iv) the exercise of the outstanding conversion rights attaching to any convertible securities issued by the Company, which are convertible into shares of the Company, shall not exceed 20 per cent of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution, and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

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

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

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares on the register on a fixed record date in proportion to their then holdings of such shares (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 any relevant jurisdiction, or the requirements of any recognized regulatory body or any stock exchange, in any territory outside Hong Kong).”

2. **“THAT:**

subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, such number of Shares which may fall to be allotted and issued pursuant to the exercise of options which may be granted under the share option scheme of the Company adopted on 27 May 2002 (the “**Share Option Scheme**”):

- (a) approval be and is hereby generally and unconditionally granted for refreshing the maximum limit of options which may be granted under the Share Option Scheme (the “**Refreshed Limit**”) provided that:
- (i) the aggregate nominal amount of the total number of Shares which may be allotted and issued upon the exercise of options to be granted under the Refreshed Limit shall not exceed 10 per cent of the aggregate nominal amount of the Shares in issue as at the date of passing of this resolution; and
 - (ii) the overall limit on aggregate nominal amount of total number of Shares which may be allotted and issued upon the exercise of all options to be granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company shall not exceed 30 per cent of the aggregate nominal amount of the Shares in issue from time to time;
- (b) the Directors be and is hereby authorised to grant options under the Refreshed Limit and to exercise all the powers of the Company to allot, issue and otherwise deal with the Shares pursuant to the exercise of such options; and
- (c) any Directors be and is hereby authorised to sign and execute such other documents and (if required) affix the common seal of the Company thereto, and do all such acts and things as he/she considers necessary, desirable or expedient in connection with the implementation.

By order of the Board
Bao Yuan Holdings Limited
Wong Man Pan
Executive Director

Hong Kong, 14 January 2012

Registered office:
Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

Head office and principal place of business in Hong Kong:
25/F., Overseas Trust Bank Building
160 Gloucester Road
Wanchai
Hong Kong

Notes:

1. A form of proxy for use at the meeting is enclosed herewith.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorized in writing or, if the appointor is a corporation, either under its seal or under the hand of any officer, attorney or other person authorized to sign the same.
3. Any shareholder of the Company entitled to attend and vote at the meeting convened by the above notice shall be entitled to appoint one, or if he is the holder of two or more shares, more than one, proxy to attend and vote instead of him. A proxy need not be a shareholder of the Company.
4. In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney or authority, must be deposited at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding of the above meeting or any adjournment thereof.
5. Completion and return of the form of proxy will not preclude a shareholder of the Company from attending and voting in person at the meeting convened or at any adjourned meeting and in such event, the form of proxy will be deemed to be revoked.
6. Where there are joint holders of any share of the Company, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the meeting, the most senior shall alone be entitled to vote, whether in person or by proxy. For this purpose, seniority shall be determined by the order in which the names stand on the register of members of the Company in respect of joint holding.

As at the date of this announcement, the Board comprises three executive Directors namely, Mr. Yim Hin Keung, Mr. Wong Man Pan and Mr. Tsang King Sun, one non-executive Director, Mr. Yiu Kwok Ming, Tommy, and three independent non-executive Directors namely, Mr. Ng Lok Kei, Mr. Liang Jin An and Mr. Chan Hon Yuen.