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HYBRID KINETIC GROUP LIMITED

正道集團有限公司

(incorporated in Bermuda with limited liability)

(Stock code: 1188)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**Meeting**”) of Hybrid Kinetic Group Limited (the “**Company**”) will be held at Suites 1407-8, 14th Floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong on Wednesday, 23 May 2012 at 10:00 a.m. to consider and, if thought fit, transact the following businesses:

AS ORDINARY BUSINESS

1. To receive and approve the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors (the “**Directors**”) and the auditors (the “**Auditors**”) of the Company for the year ended 31 December 2011.
2. To consider the re-election of the retiring Directors (namely Dr Huang Chunhua, Mr Hui Wing Sang, Wilson, Dr Zhang Zhenwei, Dr Song Jian) and Ms Chan Fung Yi, each as separate resolution, and to authorise the board of Directors (the “**Board**”) to fix the remuneration of the Directors.
3. To consider the re-appointment of BDO Limited as the Auditors for the year ending 31 December 2012 and to authorise the Board to fix the remuneration of the Auditors.

AS SPECIAL BUSINESS

4. To consider and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution of the Company:

“**THAT:**

- (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and all other applicable laws, the exercise by the directors (the “**Directors**”) of the Company during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and deal with the unissued shares (the “**Shares**”) of HK\$0.10 each in the share capital of the Company, and to make or grant offers, agreements and options (including warrants, bonds, notes and other securities which carry rights to subscribe for or are convertible into Shares) which would or 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 during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds, notes and other securities which carry rights to subscribe for or are convertible into Shares) which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of the share capital of the Company allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as hereinafter defined in paragraph (d) below);
 - (ii) the exercise of options granted under the share option scheme or similar arrangement for the time being adopted by the Company from time to time;

- (iii) any scrip dividend or similar arrangements providing for allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the bye-laws (the “**Bye-laws**”) of the Company and other relevant regulations 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 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and

- (d) for the purpose of this resolution, the “**Relevant Period**” means the period from the date of 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 or any applicable law of Bermuda to be held; or
 - (iii) the date on which such mandate granted under this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to the holders of Shares or any class of Shares whose names appear on the registers of members of the Company 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, or the expenses 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, jurisdiction outside Hong Kong or any recognized regulatory body or any stock exchange outside Hong Kong).”

5. To consider and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution of the Company:

“THAT:

- (a) subject to paragraph (b) below, the exercise by the directors (the “**Directors**”) of the Company during the Relevant Period (as defined in paragraph (c) below) of all the powers of the Company to purchase the shares (the “**Shares**”) of HK\$0.10 each in the share capital of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or any other stock exchange on which Shares may be listed and recognized by the Securities and Futures Commission of Hong Kong (the “**SFC**”) and the Stock Exchange for such purpose, and subject to and in accordance with the rules and regulations of the SFC, the Stock Exchange, the Companies Act 1981 of Bermuda (as amended, supplemented or modified from time to time) and all other applicable laws as amended from time to time 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) above during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and
- (c) for the purpose of this resolution, “**Relevant Period**” means the period from the date of 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 other applicable law of Bermuda to be held; or

(iii) the date on which such mandate granted under this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

6. To consider and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution of the Company:

“**THAT** conditional upon resolutions numbered 4 and 5 above being passed, the unconditional general mandate granted to the directors (the “**Directors**”) of the Company to allot, issue and deal with the unissued shares of the Company pursuant to resolution numbered 4 above be and it is hereby extended by the addition to the aggregate nominal amount of the shares in the capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Director pursuant to or in accordance with such general mandate of an amount representing the aggregate nominal amount of the share capital of the Company purchased by the Company pursuant to or in accordance with the authority granted under paragraph (a) of resolution numbered 5 above.”

7. “**THAT** pursuant to the rules of the share option scheme (the “**Scheme**”) adopted by the Company on 12 June 2003, approval be and is hereby generally and unconditionally granted for “refreshing” the 10% limit under the Scheme provided that (i) the total number of shares of HK\$0.10 each in the capital of the Company which may be issued upon the exercise of all options to be granted under the Scheme and any other share option schemes of the Company under the limit as “refreshed” hereby shall not exceed 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 (ii) options previously granted under the Scheme and any other share option schemes of the Company (including options outstanding, cancelled, lapsed or exercised in accordance with the terms of the Scheme or any other share option schemes of the Company) shall not be counted for the purpose of calculating the 10% limit as “refreshed” hereby.”

SPECIAL RESOLUTION

8. To consider and, if thought fit, the following resolution as a Special Resolution of the Company:

(A) “**THAT** the existing bye-laws of the Company be and are hereby amended as follows:

(1) Bye-law 66

By deleting the existing Bye-law 66 in its entirety and substituting therefore the following new Bye-law 66:–

“66 (1) Subject to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares by or in accordance with these Bye-laws, at any general meeting on a show of hands every Member who is present in person or by a duly authorised corporate representative shall have one vote, and on a poll every Member present in person or by a duly authorised corporate representative or by proxy, shall have one vote for every share of which he is the holder which is fully paid up or credited as fully paid up (but so that no amount paid up or credited as paid up on a share in advance of calls or instalments shall be treated for the purposes of these Bye-laws as paid up on the share). Notwithstanding anything contained in these Bye-laws, where more than one proxy is appointed by a Member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands.

(2) At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded or otherwise required under the rules of the Designated Stock Exchange. A poll may be demanded by:–

(i) by the chairman of the meeting; or

- (ii) by at least three Members present in person or by a duly authorised corporate representative or by proxy for the time being entitled to vote at the meeting; or
- (iii) by any Member or Members present in person or by a duly authorised corporate representative or by proxy and representing not less than one-tenth of the total voting rights of all the Members having the right to vote at the meeting; or
- (iv) by any Member or Members present in person or by a duly authorised corporate representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.”

(2) Bye-law 67

By deleting the existing Bye-law 67 in its entirety and substituting therefor the following new Bye-law 67:–

“67. Unless a poll be so required or demanded as aforesaid and, in the latter case, not withdrawn, a declaration by the chairman of the meeting that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect made in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour or against such resolution.”

(3) Bye-law 68

By inserting the words “at which the poll was required or demanded” after “The result of the poll shall be deemed to be the resolution of the meeting” in the 1st line of the existing Bye-law 68.

(4) Bye-law 69

By deleting the existing Bye-law 69 in its entirety and substituting therefor the following new Bye-law 69:–

“69. If a poll is required or demanded as aforesaid, it shall (subject as provided in Bye-law 70) be taken in such manner (including the use of ballot or voting papers or tickets) and at such time and place not being more than thirty days from the date of the meeting or adjourned meeting at which the poll was required or demanded as the chairman of the meeting directs. No notice need be given of a poll not taken immediately. The demand for a poll may be withdrawn, with the consent of the chairman, at any time before the close of the meeting at which the poll was demanded or the taking of the poll, whichever is the earlier.”

(5) Bye-law 70

By deleting the existing Bye-law 70 in its entirety and substituting therefor the following new Bye-law 70:–

“70. Any poll required or duly demanded on the election of a chairman of a meeting or on any question of adjournment shall be taken at the meeting and without adjournment.”

(6) Bye-law 73

By deleting the existing Bye-law 73 in its entirety and substituting therefor the following new Bye-law 73:

“73. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place (where no poll is demanded) or at which the poll is required or demanded, shall be entitled to a second or casting vote. In case of any dispute as to the admission or rejection of any vote, the Chairman shall determine the same, and such determination shall be final and conclusive.”

(7) Bye-law 73A

By inserting the following new Bye-law 73A immediately after Bye-law 73:–

“73A. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.”

(8) Bye-law 73B

By inserting the following new Bye-law 73B immediately after Bye-law 73A:–

“73B. For the purposes of section 106 of the Act, a special resolution of the Company, and of any relevant class of Members, shall be required to approve any amalgamation agreement as referred to in that section.”

(9) Bye-law 76A

By inserting the following new Bye-law 76A immediately after Bye-law 76:–

“76A. Where the Company has knowledge that any Member is, under the rules of the Designated Stock Exchange, required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such Member in contravention of such requirement or restriction shall not be counted.”

(10) Bye-law 88

By deleting the existing Bye-law 88 in its entirety and substituting therefor the following new Bye-law 88:–

“No person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been lodged at the head office or at the Registration Office. The period for lodgment of the notices required under this Bye-law will commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting and the minimum length of the period during which such notices to the Company may be given will be at least seven (7) days.”

(11) Bye-law 103

- (a) By deleting the existing Bye-law 103(1)(v) in its entirety and substituting therefor the words “intentionally deleted”;
- (b) By deleting the existing Bye-law 103(2) in its entirety and substituting therefor the words “intentionally deleted”; and
- (c) By deleting the existing Bye-law 103(3) in its entirety and substituting therefor the words “intentionally deleted”.

(B) **THAT** the new bye-laws of the Company, in the form of the printed document marked “A” and produced to this meeting and for the purpose of identification signed by the chairman of this meeting, which consolidates all of the proposed amendments referred to in Special Resolution no. 8(A) (as set out in the notice convening the Meeting) and all previous amendments made pursuant to resolutions passed by the shareholders of the Company at general meetings be and are hereby approved and adopted as the new bye-laws of the Company in substitution for and to the exclusion of the existing bye-laws of the Company with immediate effect.”

Yours faithfully
By order of the Board
Hybrid Kinetic Group Limited
Yeung Yung
Chairman

Hong Kong, 23 April 2012

Registered office:

Canon’s Court
22 Victoria Street
Hamilton HM12
Bermuda

Head office and principal place

of business in Hong Kong:
Suites 1407-8, 14th Floor
Great Eagle Centre
23 Harbour Road
Wanchai, Hong Kong

Notes:

1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint another person as his proxy to attend and vote in his stead. A member who is the holder of two or more shares (the “**Shares**”) in the Company may appoint more than one proxy to represent him and vote on his behalf at the Meeting. A proxy need not be a member of the Company.
2. In the case of joint holders of Shares, any one of such joint holders may vote, either in person or by proxy, in respect of such Shares as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the Meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

3. In order to be valid, the form of proxy must be in writing under the hand of the appointor or of his/her attorney duly authorised in writing, or if the appointor is a corporation, either under seal, or under the hand of an officer or attorney duly authorised, and must be deposited with the Hong Kong branch share registrar and transfer office (the “**Branch Share Registrar**”) of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof) not less than 48 hours before the time fixed for holding of the Meeting (or any adjournment thereof).
4. Delivery of an instrument appointing a proxy should not preclude a member from attending and voting in person at the Meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. In relation to resolutions numbered 4 and 6 above, approval is being sought from the members of the Company for the grant to the Directors of a general mandate to authorise the allotment and issue of Shares. The Directors have no immediate plans to issue any new Shares other than Shares which may fall to be issued upon exercise of the subscription rights attached to the options granted under the share option scheme of the Company or any scrip dividend scheme which may be approved by the members of the Company.
6. In relation to resolution numbered 5 above, the Directors wish to state that they will exercise the powers conferred thereby to purchase Shares in circumstances, which they deem appropriate for the benefit of the members of the Company. 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 forms part.
7. In relation to resolution numbered 8 above, approval is being sought from members of the Company to amend the bye-laws of the Company.

As at the date of this notice, the board of directors of the Company comprises nine executive Directors, namely Dr Yeung Yung (Chairman), Dr Huang Chunhua (Deputy Chairman), Dr Wang Chuantao (Chief Executive Officer), Mr Liu Stephen Quan, Mr Hui Wing Sang, Wilson, Dr Zhu Shengliang, Dr Zhang Zhenwei, Mr Xu Jianguo and Mr Li Zhengshan, two non-executive Directors, namely Dr Xia Tingkang, Tim and Dr Zhu Guobin and four independent non-executive Directors, namely Mr He Bangjie, Mr Wong Lee Hing, Dr Song Jian and Ms Chan Fung Yi.